"Beginning Again: A Metropolitan Transportation Vision for the 21st Century"

Congressional Testimony of
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Mr. Chairman and members of the Committee, I am pleased to appear before you this morning and very much appreciate your invitation.

The purpose of my testimony today is to provide an overview of critical metropolitan transportation challenges. In so doing, I would also like to make the point that our *metropolitan* transportation challenges are really our *national* transportation challenges. Perhaps more than any other area of domestic policy, transportation is highly spatially concentrated. It is not distributed evenly across the American landscape. Today, in our post-agricultural, postindustrial, innovation-dependent economy, the roads to prosperity inevitably pass through a few essential places: our nation's largest metropolitan areas.

1. INTRODUCTION

Metropolitan areas are where most Americans live, work, and produce the majority of the nation's economic output. The services and revenues they generate drive state economies. These places gather and strengthen the assets that drive American prosperity—innovative firms, educated and skilled workers, institutions of advanced research, specialized legal, technology and financial firms—and are our front lines of competitiveness in the global economy.

As a consequence, all roads (and rails and air traffic) literally lead to these metropolitan engines, drawn by the clustering of people, the movement of goods and the agglomeration of economic activity. The top 100 metros handle 75 percent of the nation's seaport tonnage, 79 percent of air cargo weight, 92 percent of air passengers, and 96 percent of rail travelers.

The time is long past due for a national transportation vision that recognizes the metropolitan concentration of our economic life and responds accordingly. It requires an extreme makeover, with a fundamentally new approach to almost every aspect of national policy: how we allocate funding; how we set priorities, how we apportion responsibilities; how we engage the private sector; how we price the product; how we connect transportation to other policies; how we structure the national government; and how we move from our current decisionmaking to empirically-grounded policy.

Fortunately, the time is ripe for such systemic reform. From genuine concern about the condition and quality of our existing infrastructure, to difficulties and lack of choices in moving people and goods, to major national problems like climate change, foreign energy dependence, and strained household budgets, there is growing recognition that, if left unchecked, these challenges threaten not only the quality of life in our metropolitan areas but also the competitiveness of our nation. At the same time, these debates are taking place in a fiscally-constrained environment that should be the motivating factor for real reform.

Mr. Chairman, I believe we need to throw out the 1950s-era transportation program and replace it with one that reflects the distinctive realities of our moment: fast-moving, hyper-competitive, super-volatile, and metropolitan-focused.

II. TRANSPORTATION CHALLENGES OF METROPOLITAN AREAS

Against this backdrop, the massive demographic, economic, and social changes underway today present the nation with a complex and, at times, conflicting set of transportation challenges that continue to plague the largest metropolitan areas.

First, a collective "infrastructure epiphany" has arisen about the need to reinvest in metropolitan America. In its most recent Conditions and Performance report the U.S. DOT estimates that, based on vehicles miles traveled (VMT), only 34.1 percent of roads in urban and metropolitan areas are in good condition compared to 58.0 percent of those in rural areas. Moreover, the percent of good quality rural roads actually increased since 1995 from 46.3 percent while the percent in urban areas declined from 35.2 percent. Based on use, the discrepancies between rural and urban roads are even more pronounced.[1]

Our nation's transit infrastructure is also reaching the end of its useful age. In 2005, 45 percent of the nation's subway cars were over 20 years old. Excluding New York's extensive system (which recently replaced a large portion of its fleet), 53.3 percent of rail cars have been operating for more than two decades. Half of those are over 25 years old which is when the Federal Transit Administration recommends replacement.[2] A recent federal assessment similarly judged the nation's bus fleet to be "moderately defective."[3] A 2008 performance assessment by the U.S. Office of Management and Budget found that the condition of Amtrak-owned equipment, while improving five-fold since 2002, is still falling well short of expectations.[4]

Potholes, rough surfaces, and rusting bridges are the physical manifestations of a deteriorating system. Most investigations into the state of U.S. transportation infrastructure today quickly reveal a network that is crumbling, obsolete, and outdated.

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[1] U.S. Department of Transportation, *Status of the Nation's Highways, Bridges, and Transit: 2006 Conditions and Performance Report to Congress*, exhibit 3-11.

[2] Federal Transit Administration, *National Transit Database*, Table 2: Revenue Vehicle Inventory, 2004.

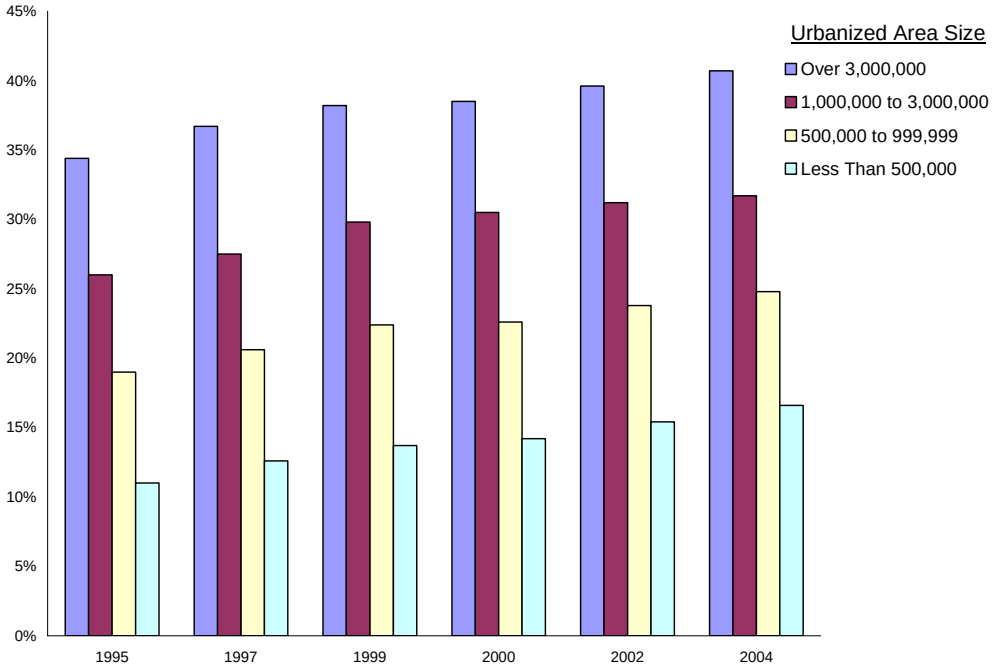
[3] Richard Steinmann and Robert Tuccillo, "Transit in the U.S.: Conditions, Performance, and Finance," Briefing for the National Surface Transportation Revenue and Policy Study Commission, June 27, 2006.

[4] Office of Management and Budget, "Detailed Information on the Amtrak Assessment," 2008, available: http://www.whitehouse.gov/omb/expectmore/detail/10004000.2005.html.

Second, the movement of people within and between metropolitan areas has become challenging and options for travelers are limited. At its most basic, transportation is critically important to the U.S. economy for its ability to move people across and between metropolitan areas. Unfortunately, even this function is under threat due to ever-present traffic congestion, lack of travel choices, and unconnected modes.

In recent years, U.S. residents have come to regard traffic congestion as one of the most serious problems in the nation. However, one point often overlooked (perhaps due to its simplicity) is that traffic congestion is predominantly a *metropolitan* phenomenon and is especially acute in the very largest places. Certainly smaller areas jam up in tourist zones and accidents can shut down rural interstates for miles. But there is no doubt that the most important national trend regarding congestion is that for every year studied, and for every measure, the problem of congestion increases as metropolitan area size increases. Figure 1 illustrates this trend.

Figure 1: Average Daily Percent of VMT Under Congested Conditions, by Urbanized Area Size, 1995–2004



Source: U.S. Department of Transportation, *Status of the Nation's Highways, Bridges, and Transit: 2006 Conditions and Performance Report to Congress*, exhibit 4-2.

This should not be surprising as the vast majority of travel occurs in just a few places in general relationship to the population there. Nearly 8 out of every 10 vehicle miles traveled occurs in metropolitan areas and about 6 in 10 are in just the 100 largest.[5] Twenty percent of the costs associated with traffic congestion are concentrated in just two metropolitan areas: New York and Los Angeles.[6]

[5] This analysis uses raw county level data from the Federal Highway Administration's (FHWA) Highway Performance Management Systems (HPMS) aggregated up to the latest metropolitan area definitions. Note that this is different from urbanized areas which the FHWA also uses.

[6] David Schrank and Tim Lomax, 2007 Annual Urban Mobility Report (College Station, Texas Transportation Institute, 2007), Summary Table 2.

Unfortunately, many Americans do not have access to a range of travel options to avoid traffic congestion. Information drawn from the three most recent years of the American Housing Survey shows that only 55 percent of respondents reported that transit is even available to them. More disturbing is that only one-third of respondents in newly-constructed housing reported that transit was present.[7]

Table 1: Response to American Housing Survey: Is There Public Transportation for this Area?

		Access to public transportation		
		Yes	No	Not reported
Housing	Total occupied units	55.2%	41.8%	3.0%
	Owner	47.6%	49.4%	3.0%
	Renter	71.2%	25.7%	3.1%
	Newly constructed	33.2%	62.1%	4.7%
	Moved in past year	59.3%	35.7%	5.0%
Demo-graphics	Black	70.5%	27.2%	2.3%
	Hispanic	71.7%	26.0%	2.3%
	Elderly	52.3%	45.1%	2.6%
	Below poverty level	58.0%	38.9%	3.1%
Geographic	Central cities	81.9%	15.3%	2.7%
	Suburbs	51.9%	44.5%	3.5%
	Rural	15.7%	81.9%	2.4%
	Northeast	66.3%	30.9%	2.8%
	Midwest	53.5%	43.2%	3.3%
	South	39.8%	56.9%	3.3%
	West	72.6%	25.0%	2.4%

Source: Brookings Analysis of American Housing Survey, 2002-2004

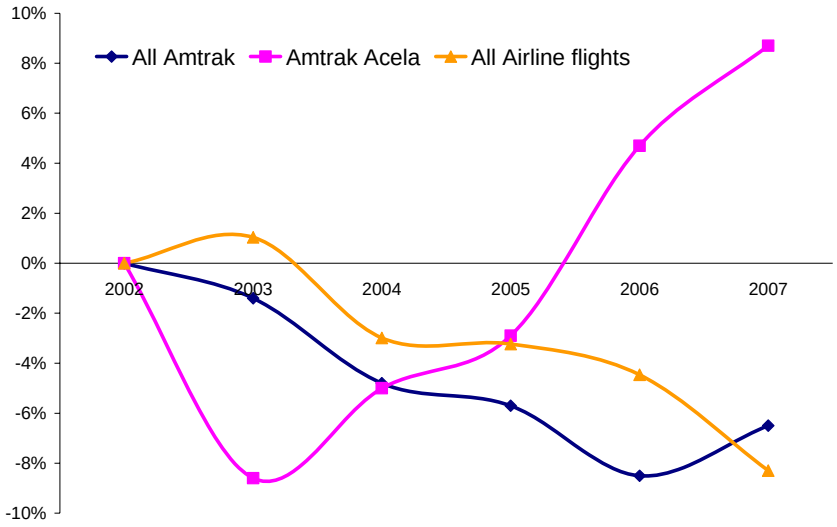
Based simply on the amount of transit infrastructure available, 54 of the 100 largest metropolitan areas do not have any rail service and also have a bus volume per capita ratio lower than the average for the top 100 metropolitan areas. By far, most of these metropolitan areas – 26 – are found in the south. Five are in Florida alone. Twelve are found in the Midwest, 10 more in the northeast, and only 6 are found in the west. All told, 90 million Americans live in metropolitan areas with substandard transit including a range of large places like Indianapolis, Orlando, and Virginia Beach; fast growing places like Raleigh and Jacksonville; and slow growing places like Youngstown and Rochester, NY.[8]

Americans are also struggling with trips *between* metropolitan areas. While about 9 in 10 long distance trips (over 50 miles) are taken by personal cars, by 2010 most of the nation's metropolitan and interstate highways will exceed or be at capacity. Unfortunately this delay is occurring at the same time capacity in air and train travel between metropolitan areas also appear to be suffering. Figure 2 shows rapid declines in the percent of intermetro air and rail trips that arrived on time since 2000. The only positive trend is Amtrak's Acela service between Boston and Washington.

[7] Data from 2002, 2003, and 2004 are examined for the nation and for the 32 metropolitan areas surveyed during those years. This is similar to the approach in Paul Weyrich and William Lind, "Does Transit Work? A Conservative Reappraisal," Free Congress Research and Education Foundation,1999.

[8] Brookings analysis of Federal Transit Administration data from the National Transit Database.

Figure 2: Percent Change of Inter-metro Trips that Arrive on Time, by Mode, Since 2002



Source: Bureau of Transportation Statistics, "On-Time Performance - Flight Delays at a Glance," 2008, available: http://www.transtats.bts.gov; and Office of Management and Budget, "Detailed Information on the Amtrak Assessment," 2008, available: http://www.whitehouse.gov/omb/expectmore/detail/10004000.2005.html

A healthy national economy depends on healthy metropolitan economies—and mobility for residents is a critical component. Therefore, for our transportation system to continue to provide a competitive edge, improving the movement of people by multiple means both within and between metropolitan areas should continue to be an explicit national priority.

Third, the interstate and intemodal movement of goods is projected to get more difficult. The changing nature of the American economy—particularly increased overseas manufacturing and "just in time" delivery supply chain operations—directly impacts America's infrastructure needs especially when it comes to the movement of goods by freight. Metropolitan transportation infrastructure is critical for advancing American prosperity, and for the nation to compete we need to be able to move goods and people between metropolitan areas by truck and rail, as well as intermodally.

Although trucks only make up about 7 percent of all vehicle miles traveled in the U.S. in 2005, U.S. DOT statistics show that on about one-fifth of the Interstate network, truck traffic accounts for more than 30 percent of the vehicles. [9] That number is expected to grow substantially over the next 20 years. Those portions of highways designated as truck routes are already consistently more congested than the overall network. [10]

[9] U.S. Department of Transportation, *Status of the Nation's Highways, Bridges, and Transit: 2006 Conditions and Performance Report to Congress*, Chapter 14.

[10] Michael Meyer, "Road Congestion Impacts on Freight Movement," in *The Future of Urban Transportation II* , Eno Transportation Foundation, Washington, DC, 2008.

Table 2: Congestion on Sample Sections for the Urban NHS Network

Metropolitan Area	Percent of roadway sections that are congested	
	All	Truck Routes only
Atlanta	63%	75%
Baltimore	45%	52%
Dallas	46%	68%
Detroit	50%	64%
Houston	45%	66%
Los Angeles	76%	87%
Miami	67%	78%
New York	50%	55%
Philadelphia	56%	64%
San Diego	57%	62%
Seattle	26%	27%
St. Louis	25%	32%

Source: Michael Meyer, "Road Congestion Impacts on Freight Movement," in *The Future of Urban Transportation II*, Eno Transportation Foundation, Washington, DC, 2008.

Trucks are also frequently used to pickup and deliver freight and other products to and from ports to large distribution centers and warehouses. So the major issue with trucks and congestion is not simply their experience on the major roadways but how they intersect intermodally with facilities like sea and air ports. Indeed, metropolitan congestion in and around the nation's major ports – such as Los Angeles, New York, Miami, San Francisco, Seattle, and Portland, OR – is widely recognized as the most critical issue facing the shipping industry because lengthy delays can eliminate the cost benefits of intermodal movements of freight.[11]In 2005, 95 percent of our nation's total trade moved through metropolitan areas and more than one-third through just the 10 largest.

Fourth, while transportation has a vital role to play in supporting economic growth it is becoming clear to many that true prosperity also requires sustainable growth. Through the lens of the metropolitan transportation network, there is growing concern about the twin challenges of climate change and energy independence for our nation's economic future.

The U.S. transportation system is almost entirely dependant upon petroleum-based fuels. As such, it is the predominant reason for the nation's overall oil dependence.[12] This of course impacts Americans' checkbooks as oil prices rise, but also affects the world's climate as emissions from transportation increase.

While emissions of other pollutants—such as volatile organic compounds (VOC) and nitrogen oxides (NOx)—has fallen over time as a result of engine and fuel policies, emissions of carbon dioxide (CO_2) continue to rise with VMT.[13] Thus, the nation's contribution to climate change from transportation continues to worsen. As a result it appears that the continued growth in driving cancels out both the improvements in vehicle efficiency and fuel alternatives.[14]

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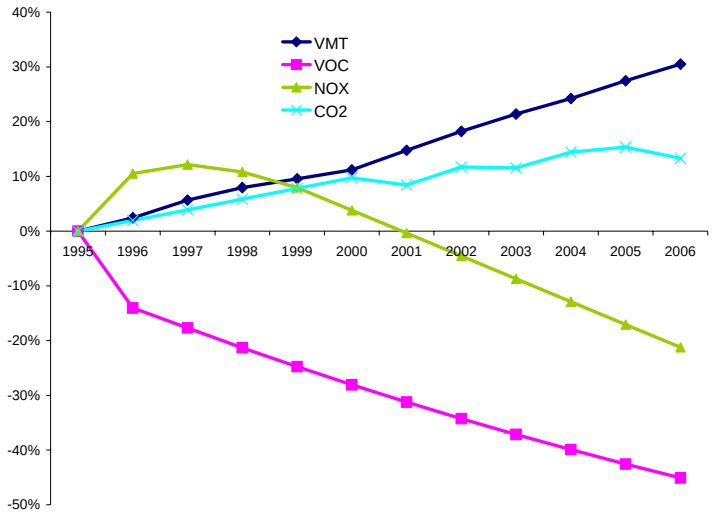
[11] HLB Decision Economics Inc., "Public Policy Impacts on Freight Productivity," 1999.

[12] David Greene and Andreas Schafer, "Reducing Greenhouse Gas Emissions from U.S. Transportation," Pew Center on Global Climate Change, 2003.

[13] U.S. Department of Transportation, "Vehicle Miles Traveled (VMT) and Vehicle Emissions," 2002. Because CO_2 emissions are dependant primarily on MPG and VMT, and because MPG remains relatively constant, any increase in VMT coincides with a proportionate increase in CO_2 emissions.

[14] See: Reid Ewing and others, *Growing Cooler: Evidence on Urban Development and Climate Change*, Urban Land Institute, 2008.

Figure 3: Change in Transportation Emissions 1995-2006



Source: EPA and FHWA

A recent examination of the energy consumed and the CO_2 emitted in the nation's 100 largest metropolitan areas shows that many of these places emit less carbon from auto and truck transportation on a per capita basis, and especially on a per dollar of gross metropolitan product (GMP) basis than smaller and non-metro areas. Per capita VMT, fuel and energy use, and carbon emissions are all higher for the U.S. as a whole than in the 100 largest metropolitan areas.[15]

However, carbon emissions per person and per dollar of GMP vary a good deal across metropolitan areas. As might be expected, metropolitan areas with a higher percentage of trucking activity tend to have higher carbon footprints, especially if their annual VMT profile exhibits a larger than average share of combination truck miles of travel, a good deal of which may involve low mpg trips that either start and/or end outside the metropolitan area's boundaries. Metropolitan areas such as Riverside, Toledo, and Jacksonville, FL rank among the highest in terms of their amount of carbon emissions per capita. New York, Los Angeles, and Portland, OR rank among the lowest.[16]

Of additional concern is the issue of energy independence. The U.S. does not come close to producing the oil it consumes and that figure is declining over time, decreasing 17.0 percent since 2000.[17] As Table 3 shows, only one-quarter of the crude oil consumed in the U.S. is domestically produced. Twice as much is imported and the majority of that from countries considered to be in danger of "state failure" based on a range of social, economic, and political factors.[18]

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[15] Marilyn A. Brown and Frank Southworth, "Shrinking the Carbon Footprint of Metropolitan America," Brookings, *forthcoming.*

[16] Ibid.

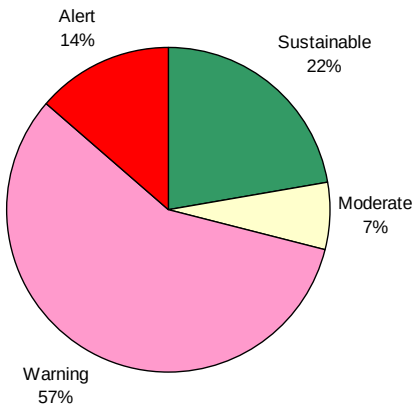
[17] Energy Information Administration, "U.S. Imports by Country of Origin," Available: http://tonto.eia.doe.gov/dnav/pet/pet_move_impcus_a2_nus_ep00_im0_mbbl_m.htm.

[18] The rankings come from the 2007 Failed States Index prepared by The Fund for Peace and *Foreign Policy* Magazine. The index employs a rating of 12 social, economic, and political/military indicators as well as other assessments of institutional capabilities. Available: http://www.foreignpolicy.com/story/cms.php?story_id=3865&page=0.

Table 3: U.S. Crude Oil Imports and Domestic Production (Annual - Thousand Barrels)

	2000	2007	Change	Country's Stability Ranking
Domestic Production	2,130,707	1,862,441	-12.6%	
Total Imports	4,194,086	4,905,234	17.0%	
Top 10 Import Sources				
Canada	661,351	885,366	33.9%	Sustainable
Mexico	502,509	559,676	11.4%	Warning
Saudi Arabia	575,274	543,508	-5.5%	Warning
Venezuela	565,865	496,984	-12.2%	Warning
Nigeria	328,079	413,184	25.9%	Alert
Algeria	82,345	244,590	197.0%	Warning
Angola	110,321	185,130	67.8%	Warning
Iraq	226,804	177,009	-22.0%	Alert
Russia	26,382	150,594	470.8%	Warning
United Kingdom	133,799	101,570	-24.1%	Moderate

Figure 4: Share of U.S. Crude Oil Imports by Country's Stability Rating, 2007



Source: Energy Information Administration, "U.S. Imports by Country of Origin," Available: http://tonto.eia.doe.gov/dnav/pet/pet_move_impcus_a2_nus_ep00_im0_mbbl_m.htm.

With the nation's transportation challenges escalating at the same time global climate change and energy independence issues are on the rise, more and more observers believe a "perfect storm" is on the horizon.

Fifth, for a large portion of the American workforce, job access and household spending are dominant concerns. As economies and opportunity decentralize and the working poor remain disproportionately centralized, a "spatial mismatch" arises between jobs and people in metropolitan areas. In suburbs entry-level jobs abound in manufacturing, wholesale trade, and retailing and hold out opportunities for people with basic education and skills. However, the absence of viable transportation options—combined with persistent residential racial segregation and a lack of affordable suburban housing—effectively cuts off many inner-city workers from regional labor markets. As such, the working poor spend a higher proportion of their income to commute (6.1 percent) than other workers (3.8 percent). The working poor that commute using their own car spend the most: 8.4 percent.[19]

But the problem of transportation costs on household budgets is not just an issue for low income families. The dominant pattern of suburban growth—low-density housing, a sprawling job base—has made residents and commuters completely dependent on the car for all travel needs. Partly as a result of this dependency, household spending on transportation has risen across the country. Transportation is now the second largest expense for most American households, consuming on

[19] Elizabeth Roberto, "Commuting to Opportunity: The Working Poor and Commuting in the United States," Brookings, 2008.

average 20 cents out of every dollar. Only shelter eats up a larger chunk of expenditures (27 cents), with food a distant third (11 cents). [20]

III. THE POLICY PROBLEM

A growing mountain of evidence and analysis shows that the current slate of federal policies—and the lack of clear policy in specific areas—actually appear to exacerbate the range of metropolitan transportation challenges.

First, for the vast majority of the program the federal government is *absent* when it should be present. This includes functional areas such as the interstate system that was created by a bold federal vision. It also includes the basic movement of people and goods across states and between metropolitan areas and mega-regions. Today the nation has no overarching agenda or strategic plan for coping with the current challenges or projected increases in freight movement, or in how passengers will travel these longer distances.[21]

But the federal transportation program is also absent in providing leadership and direction on issues only addressable on the national level such as broad economic prosperity, environmental sustainability and climate change, as well as safety and security. These issues transcend state and metropolitan boundaries and can only be dealt with on the large scale.

Instead of being present each reauthorization cycle is dominated by parochial interests around funding. In particular are the debates over donors and donees; that is, the desire for each state to receive a level of federal transportation funding that matches the federal gas tax and other revenues that are collected within their state borders. This approach is anathema to achieving a true national purpose and vision—and turns the program into one of revenue distribution instead of one designed to meet national needs.[22] The U.S. Government Accountability Office found that the federal transportation program is functioning to some extent as a "cash transfer, general purpose grant program."[23]

Second, as a program with its roots in the 1950's the federal surface transportation program is woefully *outdated*. For one thing, the program is not attuned to the needs, problems, and challenges of metropolitan areas. The intent established in 1991 to elevate the importance of metropolitan areas to better align the geography of transportation decisionmaking with the geography of regional economies, commuting patterns, and social reality has largely been subverted. Federal transportation policy has only haltingly recognized metropolitan areas' centrality to transportation outcomes, and continues to assign states the primary role in transportation planning and programming.

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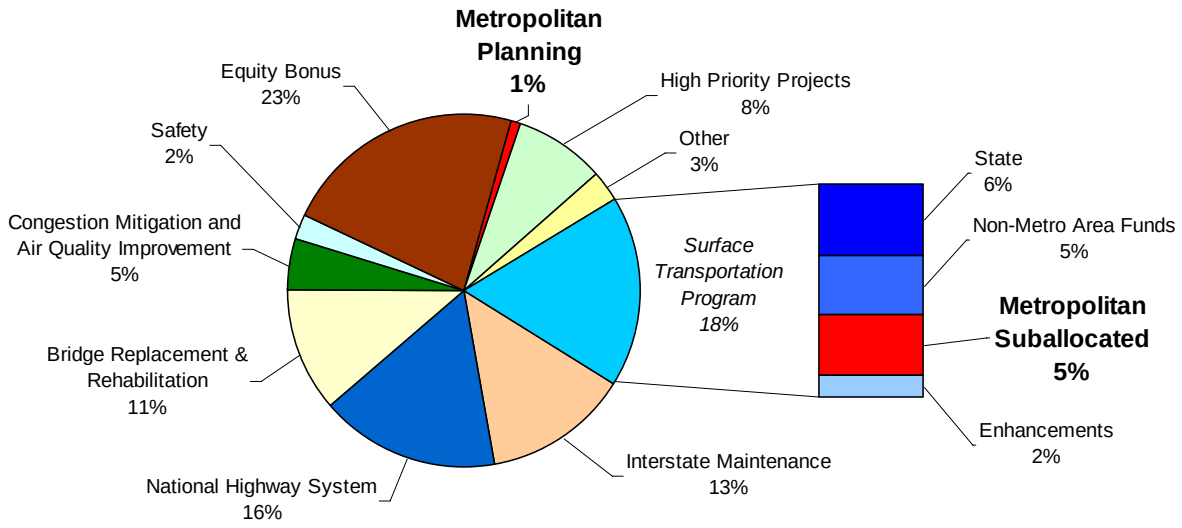
[20] Center for Housing Policy, "A Heavy Load: The Combined Housing and Transportation Burdens of Working Families," Washington, 2006.

[21] The 2006 *National Strategy to Reduce Congestion on America's Transportation Network* comes close. However, that plan is focused only on strategies ostensibly intended to reduce traffic congestion such as toll roads and methods such as congestion pricing. While important, this does not represent a comprehensive approach to the nation's transportation challenges. U.S. Department of Transportation, “National Strategy to Reduce Congestion on America’s Transportation Network,” 2006.

[22] Thomas M. Downs, "Is There a Future for the Federal Surface Transportation Program?" *Journal of Transportation Engineering*, Vol. 131, No. 6, June 1, 2005. 393-396

[23] U.S. Government Accountability Office, "Federal-Ad Highways: Trends, Effect on State Spending, and Options for Future Program Design," GAO-04-802, 2004.

Figure 5: SAFETEA-LU Authorizations, Title I -- Federal-Aid Highways, FY 2005-2009



Source: Brookings Analysis of Federal Highway data

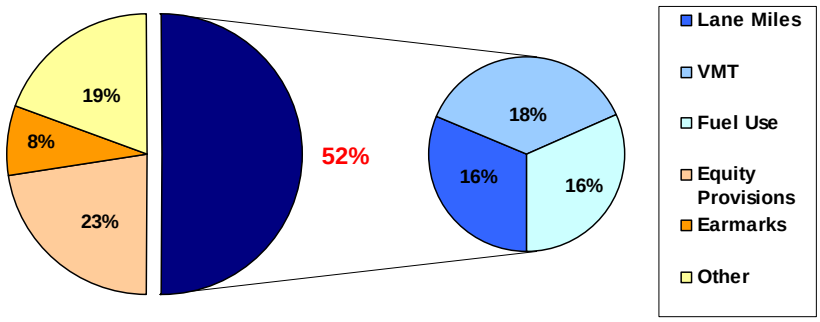
Funding analyses in several states show how these biases harm metropolitan areas.[24] These areas contribute significantly more in tax receipts than they receive in allocations from their state's highway fund or through direct local transfers. In other words, although the donor/donee debate is alive and well on the national level *between* states, that same logic has not permeated the debate on the subnational level.

Additionally, federal highway trust fund dollars continue to be distributed to its grantees based on archaic funding formulas based largely on consumption. More than half of the funds authorized in SAFETEA-LU are apportioned to states based on the traditional factors: amount of roads, miles driven, fuel consumed and/or gas tax paid. Less than one-fifth comes from other measures of need such as number of deficient bridges, roadway fatalities, or population in air quality non-attainment areas.

While this may seem intuitive on some level, it also presents obvious problems in that it sets up an insatiable desire for more funding as the roadway networks expand. There is no reward for reducing consumption in any of these formulas. Thus, any investment in transit or promotion of land use to reduce VMT, reduce fuel consumption, or be a substitute for lane miles is antithetical to how states receive funds.

[24] See: Robert Puentes and Linda Bailey, "Improving Metropolitan Decision Making in Transportation: Greater Funding and Devolution for Greater Accountability," in *Taking the High Road: A Metropolitan Agenda for Transportation Reform*, B. Katz and R. Puentes, eds., Brookings, 2005.

Figure 7: SAFETEA-LU: Highway Apportionment Formulae Categorical Factors, FY 05 - 09



Source: Brookings Analysis of Federal Highway data

Another outdated flaw that adversely affects metropolitan areas is that the rules governing transportation policy continue to favor roads over transit and other alternatives to traditional highway building. This unlevel playing field has profound effects on metropolitan America and, by extension, on the economic competitiveness of the nation.

While states do not seek permission to build highway projects, this is dramatically different from the situation that applies when areas want to construct rail or certain bus projects. The federal transit new starts program is totally discretionary and highly regulated by the DOT—and because of incredibly high demand new transit funding is oversubscribed and competition for these funds is intense.[25]

More inequity exists in terms of what the federal government is willing to contribute to investments. Federal law created 50 years ago establishes 80 percent to 90 percent of the funding for highway projects. For transit investments, the contribution is much lower — just 48 percent, according to the Office of Management and Budget.[26]

Taken together, these biases ensure that state transportation policy pursued under federal law works against many metropolitan areas' efforts to maintain modern and integrated transportation networks.

The *third* major policy problem is that the lack of a 21st century approach to government means the program is underperforming and failing to maximize efficiencies. In short, the federal government is not getting the most out of its current $286 billion investment in transportation.

Without a vision, goals, purpose, or means for targeting the U.S. approach to transportation has been to keep throwing money at the problem. While additional sources are important, little attention is being given to managing the demand for revenues, how existing funds are spent and for what purpose, or how these spending decisions affect our metropolitan areas and ultimately the economic, environmental, and social goals of our nation.

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[25] See: Edward Beimborn and Robert Puentes, "Highways and Transit: Leveling the Playing Field in Federal Transportation Policy," in *Taking the High Road: A Metropolitan Agenda for Transportation Reform*, B. Katz and R. Puentes, eds., Brookings, 2005.

[26] Office of Management and Budget, "Detailed Information on the Federal Transit Administration New Starts Assessment," 2008, available: http://www.whitehouse.gov/omb/expectmore/detail/10001125.2003.html.

For one, the federal transportation program has almost no focus on outcomes, performance, or accountability. Although the U.S. DOT outlined appropriate performance measures as required by the Government Performance Results Act, it does not hold the recipients of federal highway funding accountable for their performance nor is funding linked to success. This undercuts the viability of the national program.

More fundamentally, analytical exercises are largely impossible due to the astonishing lack of data and information. The federal government requires states to build and maintain the nation's roadway network, but it does not require them to provide the public with accessible, detailed information about state investment decisions using those funds. Incredibly, it is easier for citizens to discern where private banks and thrifts lend (thanks to the federal Home Mortgage Disclosure Act) than to determine where public transportation agencies spend. The tools that are employed today for tracking federal transportation spending are archaic and out of step with today's needs and are unequipped to handle performance data.

Ultimately this lack of transparency reduces the ability of employers, workers, and citizens in general to influence the metropolitan transportation systems that so strongly shape economic competitiveness, environmental quality, and the nation's quality of life.

IV. TOWARDS A PROSPEROUS TRANSPORTATION AGENDA FOR AMERICA

One thing is abundantly clear: If national transportation policy is going to achieve critical national objectives (e.g., advancing competitiveness, promoting sustainability, enhancing security) in an era of fiscal constraints it is going to need to focus and prioritize.

Simply put, our nation can no longer afford to subscribe to the current transportation theology of business-as-usual. The current system is fundamentally broken and major, not incremental, solutions are required to extend the envelope on next generation solutions. Transportation policy is littered with small, precious, ill-funded efforts to address everything from metropolitan congestion, to deteriorating air quality, to spatial mismatch, to funding concerns. But our nation must recognize that we are on the cusp of a new wave of transportation policy.

The starting point from the National Surface Transportation Policy and Revenue Study Commission's 2008 report *Transportation for Tomorrow* is exactly right: **we need a new beginning.**[27]

Transportation policy and program governance currently favors particular modes but is indifferent to substantive outcomes. We need a single minded focus on achieving the declared national priorities with indifference to the modal means of achieving them. The nation should settle for nothing less than evidence-based, values-driven decision-making.

Mr. Chairman, I do not believe the national goal should be a transportation goal, nor should it be to deliver transportation projects faster. Transportation is a means to an end, not the end itself. Yet the challenges discussed previously are not resolvable through micro initiatives. It will only come through systemic change in the way we think about, design, and implement transportation policies

[27] National Surface Transportation Policy and Revenue Study Commission, *Transportation for Tomorrow*, 2008.

and how we connect those policies to other aspects of metropolitan growth: housing, land use, and economic development. This means the development of a three-pronged strategy for our national transportation program:

First, the federal government must lead where there are clear demands for national uniformity or else to match the scale or geographic reach of certain problems. I want to add my voice to the growing chorus and recommend that the federal government define, design and embrace a new, unified, competitive vision for transportation policy. Our nation desperately needs a new paradigm for transportation – its purpose, its mission, its overarching rationale. This paradigm must be rooted in the empirical reality of a changing nation and a globalizing economy. It must be grounded in what we know about the relationship of infrastructure to community building and economic prosperity. It must be cognizant of what other nations are doing, particularly in the industrialized West. And it must be respectful of the wide variance in population and economic growth between disparate parts of our nation.

The federal government should lead the national transportation program, develop a coherent national vision, and focus on three specific *program* areas of national importance: the preservation and maintenance of the **interstate** system, the development of a true national **intermodal** freight agenda, and a comprehensive national plan for **intermetro** area passenger travel.

The *second* point is that there are other aspects of transportation policy where metropolitan areas should lead – where we should, in essence, "flip the pyramid," and put the federal government squarely in the service of state and local leaders whose quintessential knack for solving problems are driving this country forward. We need a new federal partnership with state and metropolitan leaders, along with local governments and the private sector, to promote environmental sustainability and strengthen metropolitan economies.

The federal government should provide the major metropolitan areas more direct funding and project selection authority and hold these places accountable for advancing a tailor-made, bottom-up vision. Yet it should also become a permissive partner and empower states and metropolitan places areas in areas like congestion pricing, providing a range of transportation choices by pursuing a strategy of modality neutrality, and connecting infrastructure investments to housing and land use.

Third, the federal government needs to re-orient transportation policy to remedy the mistakes of the past and establish a coherent performance-measured and outcome-based program for the future. Lost in the dominant discussion about how much money we are spending on the federal transportation program is a frank and rigorous debate about how to spend that money better. After such a discussion, all options toward re-invigorating transportation funding should be on the table to meet the transportation challenges of the future while also ensuring financial revenues will be available.

Therefore, the first order of business is to re-orient transportation policy so the federal government and its state and metropolitan partners are purposeful, accountable, and outcome-based. In order to rebuild the public trust, the rationale for the federal program should be abundantly clear to the American people to which a tangible set of outcomes must be explicitly tied. The recipients of federal dollars should then be held accountable for meeting these goals.

This is not a new idea and is one that was embraced by the National Surface Transportation Policy and Revenue Study Commission in their call to "begin anew." This is not a call for rigid, uniform rules but for an **intentional, evidence-based program** structured around broad national goals. It should be up to the federal transportation partners on the state and metropolitan level to demonstrate how they will meet or exceed those goals.

V. CONCLUSION

During this time of economic uncertainty, environmental anxiety, and household stress the nation must get the most out of its largest discretionary domestic program – transportation.

By focusing reforms on these three major policy areas, federal transportation policy can move from the outdated, outmoded structure that exists today to something that actually works for the nation and metropolitan America. Emphasizing better spending and accountability would enable policy makers to regain credibility and open the door to proposals for increased funding. Developing a coherent national purpose and targeting spending would help establish transportation as a true national priority program that focuses on congested areas, gateways and corridors, and freight hubs. Unleashing market dynamics would address finance, demand, and operational efficiencies and enable important ideas like congestion pricing to thrive.

Mr. Chairman, I believe these are important reforms that can go a long way to providing a metropolitan framework for the nation's transportation program. No doubt, even these modest reforms will not come easily to the transportation sector. Yet change must come if our nation is going to invest transportation resources in a way that ensures the metropolitan vitality and competitiveness of the U.S. economy, our cities, and our families.