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Remaking Transportation Policy for the New Century

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Introduction

Thank you for the invitation to speak at this conference.

At the outset, I want to thank Rob Puentes, a colleague at Brookings, for coauthoring the address that I will give today. As some of you know, Rob is my partner in crime on all things transportation. We recently coauthored a book entitled Taking the High Road A Metropolitan Agenda for Transportation Reform.

Rob and I have humbly titled our presentation "Remaking Transportation Policy for the New Century."

Since the beginning of our Republic, transportation and infrastructure have played a central role in advancing the American economy – whether it was the canals in upstate New York or the railroads that linked our heartland to our industrial centers or whether it was the interstate highway system that ultimately connected all regions of the nation.

In each of those periods, there was a sharp focus on how infrastructure investments could be used as catalysts for economic expansion and evolution.

Now is the time for our nation to revisit this integral linkage between transportation and the competitiveness of our nation.

Our argument today will go as follows:

First, the United States is going through a period of profound demographic, economic and cultural change, comparable in scale and complexity to the beginning of the last century. These forces change the rules of economic prosperity in our nation and, therefore, demand a different approach to transportation.

Second, these and other forces still fuel the sprawl and decentralization that have characterized the American landscape since the end of World War II. Yet they have also precipitated a resurgence of cities and urban places in our country – in large part, because our changing economy now increasingly rewards diversity, density and urbanity.

Third, these forces present the nation with a complex and, at times, conflicting set of transportation challenges including growing metropolitan congestion, deteriorating air quality, and the aging of our urban and metropolitan infrastructure. If unchecked, these challenges threaten not only the quality of life in our country but also the competitiveness of our nation.

Fourth, American transportation policy – in design and execution – needs to be substantially overhauled to meet these challenges and respond to the new demographic, economic and spatial realities in our country. We believe that the central goal of transportation policy must be to enhance the economic prosperity of people and places in the nation.

Fifth, the realignment and reinvention of transportation policy will not come easy. As the 2005 reauthorization of the Transportation Equity Act for the 21st Century (TEA-21) revealed, the politics of transportation are fundamentally broken at the federal level. Parochial earmarks and special interest giveaways have replaced and trumped any unified national vision. And political failure has occurred during a period when the existing system for financing transportation has literally run out of gas.

Finally, despite these obstacles, there are things we can do right now and over the next several years to pave the way for a new vision of transportation policy and a more competitive nation.

I want to start with an admonition from George Bernard Shaw: "The sign of an educated person is to be deeply moved by statistics." My sense is that may be the motto of this organization!

So let's start with the big picture.

Everyone in this room can attest to the breathless pace of demographic change that is sweeping the nation.

- Our country is growing by leaps and bounds—33 million people in the past decade, 24 million in the decade before.

- Our growth is being fueled in part by an enormous wave of immigration. Thirty-four million of our residents are foreign born, 12 percent of the population, the highest share since 1930.

- Immigration is essential to offsetting another major demographic trend—the aging of our population. Like much of the industrialized West, the U.S. population is growing older and living longer.

- And our family structure is changing. Women and men are delaying marriage, having fewer children, heading smaller households.

The pace of demographic change in our country is matched only by the intensity of economic transformation.

- Globalization and technological innovation are reshaping and restructuring our economy and altering what Americans do and where they do it.

- These forces have accelerated the shift of our economy from the manufacture of goods to the conception, design, marketing, and delivery of goods, services, and ideas.

- These forces have intensified America's economic relationship with the world – incredibly, imports tripled during the 1990s; exports doubled.

- Above all else, these forces are placing a high premium on education and skills, with communities and firms now engaging in a fierce competition for talented workers who can fuel innovation and prosperity.

This last point has enormous transportation implications since the shift to an economy based on ideas and innovation changes the value and function of density.

We now know that employment density and cities with efficient transport systems contribute to labor productivity.

Residential and employment density also enhances innovation. This happens partly by creating a "quality of place" that attracts knowledge workers and partly by enabling interactions and knowledge-sharing among workers and firms, within and across industries.

Now our second point: these broad market, demographic and cultural forces are altering American growth patterns, giving many cities a second life while still fueling sprawl and decentralization.

Cities are growing again after decades of decline. The top 50 cities grew by close to 10 percent during the 1990s – compared to a gain of 6 percent in the 1980s and, incredibly a loss of population in the 1970s.

Atlanta, Chicago, Denver, and Memphis literally "turned around" by converting a 1980s population loss into a 1990s population gain.

Immigrants are fueling population growth in cities and, in the process, renovating housing, revitalizing neighborhoods and spurring entrepreneurial activity. The Hispanic population in the top 100 cities grew by 43 percent during the 1990s, or 3.8 million people. The Asian population in the top 100 cities grew by 40 percent during the 1990s, or 1.1 million people.

With the decline in crime, young people—most of whom grew up in suburbs—are highly motivated to experiment with urban lifestyles popularized on television shows like "Seinfeld," "Sex and the City," and "Friends."

Beyond demographics, cities have gained a strong footing in the "Ideas Economy." Some 60 percent of the jobs in America's cities fit squarely into "new economy" categories compared to only 40 percent in suburban communities.

Other signs of urban resurgence abound:

- Poverty rates declined in cities during the 1990s.

- The number of people living in high poverty neighborhoods—and the number of high poverty neighborhoods—declined precipitously during the past decade.

- Homeownership went up… jobs grew … unemployment fell… incomes increased … the numbers of minority and women owned businesses soared.

To be sure, suburban residential, commercial, office, retail and industrial development continues to dominate the physical landscape in the United States.

Suburbs grew almost twice as fast as cities in the 1990s, by about 17 percent to 9 percent. And every household type grew at faster rates in the suburbs than in the cities. The relentless pace of population decentralization was particularly present in metropolitan areas surrounding "turnaround cities".

The city of Atlanta, for example, grew by 6 percent in the 1990s, a total of 22,000 people. Yet its suburbs grew by 44 percent or 1.1 million people. Similarly, the city of Chicago saw 4 percent growth in the 1990s, or 112,290 people. Yet its suburbs grew by 16 percent or 750,000 people.

These are not your parents suburbs, however. With suburbs taking on a greater share of America's population, they are beginning to look more and more like traditional urban areas—in population and in form.

In many metros, a substantial portion of immigrants in the past decade skipped cities and went directly to the suburbs. Racial and ethnic minorities now make up more than a quarter of suburban populations, up from 19 percent in 1990.

As people go, so do jobs. That's a cliché, but it is absolutely true. The suburbs dominate employment growth and are no longer just bedroom communities for workers commuting to traditional downtowns. Rather, they are now strong employment centers serving a variety of functions in their regional economies.

Some of this suburban employment growth is happening in urban like settings.

- We see this as places like Montgomery County in Maryland develop downtown areas like Bethesda and Silver Spring that rival traditional central cities in their cultural amenities, their access to transit, their eclectic mix—often on the same site—of office, retail, and residential.

- We see this as developers and financial institutions spend billions of dollars building or rebuilding malls—so-called "lifestyle centers"—that resemble nothing more than the traditional main street, evidence of the market value, acceptance of and demand for urban places.

Yet the bulk of economic growth in the suburbs is occurring in low density, non compact forms. The American economy has largely become an exit ramp economy, with office, commercial and retail facilities increasingly located along suburban freeways.

Because of this, a new spatial geography of work and opportunity has emerged in metropolitan America. Across the largest 100 metropolitan areas, on average, only 22 percent of people work within three miles of the city center. Incredibly, one third of jobs are located more than ten miles away from traditional downtowns.

So here is our third point: these driving forces present the nation with a complex and, at times, conflicting set of transportation challenges.

For the most Americans – businesses and people alike – the daily grind of traffic congestion is at the top of the list.

Traffic congestion has become a way of life in nearly every major metropolitan area.
The latest data from the Texas Transportation Institute shows that traffic congestion continues to get worse:

- The annual delay per rush hour traveler, has grown to 47 hours from just 16 in 1982
- There are now 51 metropolitan areas where that figure is more than 20 hours. There were only 5 of these metropolitan areas in 1982.
- And factoring in wasted fuel, congestion is now costing Americans in 85 urban areas about $63.1 billion each year.

The reasons for why we are all stuck in traffic are easy to recite.

With demographic growth, there are a lot of cars on the road.

According to the latest federal highway administration statistics, there were about 232 million cars and trucks in the U.S. in 2003 – about 17 percent more than just ten years prior.

And this is not just because there are more people. The number of licensed drivers only increased by 13 percent during that time.

> Nor is it just because there are more households. There are. But the number of cars per households increased from 1.98 in 1990, to 2.02 in 2000, to 2.06 in 2002.

With the restructuring of the economy, there are also a lot of trucks on the road.

- According to the U.S. Department of Transportation, truck traffic makes up more than 30 percent of the traffic on some portions of the Interstate System.

- Since 1980, the number of truck miles has doubled, and is expected to continue grow substantially over the next 20 years.

Our settlement patterns – sprawling metropolitan areas where residential communities are separated from commercial, retail and industrial areas – obviously contribute substantially to congestion.

In all metropolitan areas, the new geography of work is transforming our daily commuting patterns. The highest share of metropolitan commutes now begins and ends within suburbs. Nearly 40 percent of metropolitan commutes are suburb-to-suburb. Just over a quarter are within cities; and only 17 percent are the traditional suburb-to-center city route.

Not surprisingly, we're driving our cars further and more often that ever

- The number of vehicle miles traveled increased by a whopping 26 percent from 1993 to 2003.

- And the amount of gasoline consumed increased by 24 percent.

- Americans now report that they spend over 62 minutes each day in a car. That's up from just 49 minutes in 1990 – a 27 percent increase.

Mounting traffic congestion is only one of the challenges facing the nation's transportation system … and, as our colleague Tony Downs has illustrated, will continue to increase as the numbers of vehicles, drivers, miles traveled, and intercity trucks grow and as regional economies continue to decentralize along low-density settlement patterns.

Yet there are other related transportation challenges that are also undermining the quality of life for people and places throughout the nation.

Some examples:

As congestion increases, air quality continues to worsen in almost every single metropolitan area, raising serious health concerns that carry heavy economic costs.

In April 2004, the Environmental Protection Agency designated 474 counties in 31 states out of compliance with the federal air quality standards of the 1990 Clean Air Act amendments for smog-causing ozone.

Some 150 million people – more than half our national population – live in these counties.

The transportation network is aging.

Potholes, rough surfaces, rusting bridges: these are the physical manifestations of a deteriorating system.

Moreover, recent analysis by the American Society of Civil Engineers estimates that the nation's aging infrastructure costs American drivers $54 billion in repairs and operating costs each year. Such costs subvert regional competitiveness and productivity by impeding the flow of people, goods, and services between America's cities and suburbs.

Furthermore, the very design of this aging infrastructure is becoming obsolete.

Most cities and older communities now make do with a road and transit network that fits commuting patterns of the 1950s, when cities still functioned as regional hubs. Today, however, commute trips only represent between one-fifth and one-seventh of all trips taken.

This fact—and the general obsolescence of much transportation infrastructure—undermine urban and metropolitan economies.

In some cities, freeways block access to waterfronts and other assets and generally take up some of the most valuable real estate in the urban area (usually land either near or in the midst of the central business district). More on that in a minute.

There is a growing spatial mismatch between jobs and low income workers

Most low income workers continue to live in inner cities and older suburbs, far from the employment areas in growing suburbs. As economies and opportunity decentralize and the working poverty concentrates, a "spatial mismatch" has arisen between jobs and people in the nation's urban regions.

In suburbs entry-level jobs abound in sectors like 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 many inner-city workers off from regional labor markets.

Quite literally, low rates of car ownership and inadequate public transit keep job seekers in the core from reaching many suburban jobs.

Often, inner-city workers, hobbled by poor information networks, do not even know these jobs exist. This, too, undermines the competitiveness of metropolitan regions by reducing employers' ability to attract needed workers.

It is true that the nation made some very positive gains in terms of breaking up neighborhoods of concentrated poverty. But these neighborhoods are still disproportionately located in center cities, far from newly growing suburban job centers. One out of every six urban families lived in poverty in 1999.

Finally, there is the sticker shock of metropolitan sprawl

Congestion and automobile dependence also affect the pocketbooks of citizens and commuters.

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, household spending on transportation has risen across the country.

Transportation is now the second largest expense for most American households, consuming on average 19 cents out of every dollar. Only housing-related costs eat up a larger chunk of expenditures (33 cents), with food a distant third (13 cents).

The transportation burden disproportionately affects the poor and working poor, moreover. For example, those in the lowest income brackets spend nearly 10 percent of their personal income on commuting alone—more than double the national average.

All of these challenges expand and complicate the range of issues that transportation agencies at all levels of government need to address.

Yet they also broaden the range of constituencies that care about transportation and can be expected to weigh in as future transportation bills are debated in Congress and as state departments of transportation and regional metropolitan planning organizations make decisions about the allocation of transportation dollars:

Environmentalists, health providers, and advocates for children who care deeply about the pernicious impact of deteriorating air quality.

Urban corporate, civic, university and political leaders as well as major real estate developers who want to leverage the assets and amenities of central cities and older suburbs.

Family advocates who are worried about the ability of low and moderate income workers to make ends meet.

In short, there is a growing constituency for change in transportation policy that is there to be built, sustained and nurtured. More on this later.

So given these disparate challenges and given the profound demographic, economic and spatial change in the United States, what should the framing vision of transportation policy be in 21st century metropolitan America?

How do we find the equivalent of the simple guiding principles – connectivity, competitiveness, security – that shaped the building of the interstate highway system in the 1950s and beyond?

It is clear that building such an overarching vision is essential to success.

The challenges mentioned before are not resolvable through micro initiatives – though transportation policy is littered with small, precious, ill-funded efforts to address everything from metropolitan congestion to deteriorating air quality to spatial mismatch.

Solutions to these challenges will only come through systemic change in the way we think about, design, and implement transportation policies and how we connect those policies to other aspects of metropolitan growth: housing, land use, economic development.

We believe strongly that the central goal of transportation policy should be the achievement and enhancement of economic prosperity in the United States – for places and for people.

We believe that transportation policy must become the linchpin of strong and resilient metropolitan economies that positions America to compete for high quality jobs in a fiercely competitive global context.

We believe that transportation policy must also support the ability of families and individuals to maximize their own potential in the marketplace by enhancing access to quality schools and good jobs.

In our view, this overriding vision involves five central elements.

First, and foremost, transportation policy must promote the economic efficiency of metropolitan areas.

Metropolitan areas—where more than 80 percent of our nation lives and 85 percent of our economic output is situated—are now the competitive units in the global economy.

The economies of these metropolitan areas, particularly in the new innovation centers like Seattle, Chicago, New York and Boston, are now literally choking on congestion.

It is clear that we will not build our way out of this congestion   In most metros, the era of major highway building is over. The emphasis must now shift to a series of other priorities:

> Filling the gaps in the current system by connecting the modes and, in a limited number of circumstances, connecting suburban areas;
>
> Providing greater access to ports and freight hubs, particularly in gateway metros like Los Angeles.
>
> Mitigating congestion (or slowing the rise in congestion) through tolling, other market mechanisms and ample investment in technology.
>
> Maintaining and preserving the existing system which serves a preponderance of the population and where substantial investment has already been made.

Yet promoting metropolitan economic efficiency cannot just be about improving highways.

As commuting patterns and labor markets have become more complex, new bold visions for the role of transit in affecting the location of future residential and commercial development are gaining strength across the country.

Cities, counties, and metropolitan areas are beginning to get much more out of – what are really – huge public investments in transit by realizing that such spending if done properly can generate tremendous value by promoting denser, more efficient growth patterns.

The best example of transit oriented development is right across the Potomac River in Arlington County where they were able to channel development along a transit corridor that now contains nearly 25,000 housing units, 21 million square feet of office, and 73,000 jobs. Communities outside Denver, Seattle, and Dallas are pursuing these ideas, too.

When such development occurs with an eye to increasing "next generation" or affordable workforce housing it can help make better connections between areas of growing employment and residential areas of low wage workers.

But it will mean, at a minimum, more streamlined transit connections between these employment and residential areas (which generally are in separate counties). As with land use, making these connections should be a central part of the transportation mission and should not be perceived as a small "add on".

The bottomline is this: if we build state of the art transit systems, and if we densify around these systems, the riders will come:

Transit use increased 21 percent between 1993 and 2002 – faster than any other mode of transportation.

Second, transportation policy must help cities realize their full economic and fiscal potential.

The bottomline is that cities matter again given the shift towards knowledge and innovation in our economy.

Yet the current patterns of infrastructure undermine urban economies.

For example, in the past cities used zoning and infrastructure placement to cut neighborhoods and residents off from the waterfront.

Yet more and more cities are beginning to recognize the passive and active recreational value of waterfronts, as well as their attractiveness to developers interested in generating new mixed-use urban environments.

Such projects add commercial and residential development of mixed types, by taking advantage of the unique features downtown (e.g. the river, entertainment venues, etc.)

In recent years, cities like Boston, Akron, and Portland have taken steps to tear down freeways that have long scarred the urban landscape. Milwaukee, for example, used federal money to take down a little-used spur of the never-completed Park East Freeway began in 2002 to reclaim 11 blocks of downtown land.

Make no mistake, these are tough, contentious and sometimes costly projects, yet they are often the right thing to do and need additional support if they are to happen around the country.

Third, transportation policy must also help remake the suburbs to enhance choice and quality

While high densities and transit oriented development works in many suburbs, it is not a panacea.

For one thing, many suburban areas – particularly older, inner ring first suburbs – are highly fragmented and have a series of downtowns, and commercial areas that are unlinked in any cohesive way.

So a cores and corridors approach is needed to create corridors of activity particularly along aging commercial strips that have seen investment and activity bypass them out to the suburban fringe, and to focus growth in cores that can actually support high quality transit.

Such planning will not only go a long way toward mitigating the growth in traffic congestion, it will have a transformative effect on local communities that have too long tried to go it alone.

While the county level is probably the most appropriate level for launching such a vision, a series of state policies and enabling laws must be put in place so efforts that span municipalities like overlay districts, corridor planning, and transit districts can be realized.

States also help design the skeleton of regions through their investments in infrastructure. How and where these investments are made make a very big difference to many first suburbs.

Fourth, beyond the intra-metropolitan dimension, transportation policy must connect cities and metropolitan areas

As everyone knows, the National Railroad Passenger Corporation – known as Amtrak – is in disarray.

President Bush's fiscal year 2006 budget proposed eliminating all operating subsidies ($700 million in FY 2005 – about half its total budget) and in November 2005, Amtrak's president was fired after refusing to step down.

It is regularly criticized by many public policy observers that strenuously call for its dismantling because of perceived inefficiencies and ineffectiveness.

And yet, Amtrak remains popular as an affordable, essential transportation link for many communities and competes quite well in more urbanized parts of the nation.

Its future, however, is far from certain. Yet to continue to support the competitiveness of U.S. cities and metropolitan areas, an efficient, functioning intercity rail network is absolutely essential.

As in Europe, that must include high speed rail – particularly given the stresses placed on our air travel system since 9/11.

Finally, beyond places, transportation policy must respond to the major demographic and development changes underway in our society and help our citizens realize their full potential.

As Saundra Rosenbloom has pointed out, few metropolitan areas are thinking through what the aging of America means for transportation and mobility. But this demographic trend could place enormous demands on our transit systems and present new and complex challenges for metropolitan planning. We are not prepared and we need to be.

Transportation policy must also go much further in developing and maintaining transportation services for the working poor and those making the move from welfare to work. Programs that connect low income workers to jobs in the suburbs, and innovative use of welfare funds for transportation have created many new, if small, services designed to overcome transportation barriers. Still, lack of adequate and affordable transportation remains a primary barrier to work for many low-income people.

So those are some broad ideas for rethinking the role of transportation and how it fits within the larger framework of economic competitiveness for the nation's metropolitan areas.

The problem for transportation professionals going forward is that we as a nation are not organized to deliver on this new paradigm

The recent acrimonious and unproductive "debate" in Washington about the new surface transportation law—SAFETEA-LU—is emblematic of what is wrong with the current system.

The sad fact is that after years of wrangling, and 18 months of delay, what we're left with is a national transportation policy with no accountability, no overall intent, and no chance to meet broader goals of economic growth and personal mobility I mentioned.

The politics of transportation – at least in 2004 and 2005 – was all about pork and not principle. The overall debate was about money – how much and who gets it.

We all know that the bulk of Congressional interest and attention was spent on bring home the bacon to individual districts and states – rather than on developing policies and practices to respond to the major challenges before us.

Incredibly, the recent transportation law contains 5,145 earmarks, a nearly three fold increase from 1,849 earmarks in TEA-21, the 1998 law.

On the books, these earmarks add up to $14.8 billion. However, as the American Planning Association points out, the funding level of an individual earmark is usually not enough to complete a project and states and localities have to divert other funds to fill the gap.

Now all this focus on pork did have one immediate consequence: over 90 percent in the Senate voted for the new law, as did 98 percent of House members.

It's not just the federal politics that are broken. The politics at the state and metropolitan level have, almost uniformly, supported road building over transit extensions, greenfield development over brownfield reclamation, newer communities over existing jurisdictions.

In Pennsylvania, for example, Brookings found that 58 percent of road and bridge projects went to newer communities at the fringe of metropolitan areas that have only 42 percent of the population.

This uneven allocation – which is repeated in state after state, and metropolitan area after metropolitan area – is starving the older portions of our metropolitan areas at the very time that those places are central to economic prosperity and growth in this nation.

The breakdown in transportation politics comes at the precise time when discipline and accountability and focus are most needed.

The harsh reality is that the transportation finance system is almost out of gas.

> States are not raising—or spending—enough revenue to meet the needs of metropolitan transportation networks
>
> > From the time the interstate highway system was originally authorized in 1956 to the present, increases in federal revenues have kept pace with inflation, but state revenues have not.
> >
> > Of the 32 states that have increased their gas tax since 1991, only one raised it as fast or faster than inflation.
> >
> > So there is a fairly dramatic change taking place in how transportation projects are funded. Since 1998 the two largest sources of new revenue for transportation are increases in federal revenues and increases in state debt.
> >
> > In fact, the percent increase in revenues from state borrowing outpaced the percent increase in revenues from new taxes and user fees by more than seven to one.
> >
> > Looking at it another way, in 2003 9 states' principal source of highway revenue was from bond proceeds. By contrast, only 3 states' principal source was the state gas tax
>
> As a result—and due to other issues such as fuel efficiency and slow downs in the growth of vehicle miles traveled—federal and state gas tax receipts have plateaued and are beginning to decline when adjusted for inflation.
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> This is precarious because the majority of highway funds on all levels continue to be generated by gasoline and other fuel taxes. Fuel taxes make up 40 percent of all revenue sources for highways, according to the federal highway administration.
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> But since the demand for transportation has not declined, states and metropolitan areas are scrambling to seek other sources of financing.
>
> Yet, while additional sources are certainly 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 cities, suburbs, and metropolitan areas.

So how do we start building towards a new vision for national transportation policy?

Here are five things for this group and the networks that you represent to consider.

First, we need to define, design and embrace a new, unified, competitive vision for transportation policy.

> In essence, we need 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.
>
> Over the next several years, our transportation intelligentsia – as well as many experts outside the transportation family – must focus on redefining the forest rather than examining the trees.

Second, we need to build broad based, majoritarian metropolitan coalitions who can advance this new transportation vision.

> These coalitions will come from the ground up and will build from the emerging networks of government, business, civic, political, university and faith based leaders who are the new leadership class in metro America.
>
> Some of these coalitions will replicate the best models of governance and advocacy present in the nation.
>
> In the Chicago metropolis, for example, civic, corporate, and political leaders have played a central role in provoking new interest in conceiving a competitive vision for that region with their far reaching report "Chicago Metropolis 2020" and the subsequent creation of an organization whose mission is to move a regional economic agenda for transportation.
>
> Some of these coalitions will be accelerate by realizing the convening power of metropolitan planning organizations (MPOs) – so that they graduate from institutions where "log-rolling" is done among the city and suburban counties to organizations that

involve a cross section of constituencies in the hard process of envisioning a new economic and physical future for their communities.

At the same time, the responsibility and capacity of MPOs needs to be expanded. Transportation decisions must be tied more closely to the demographic and market realities of metropolitan areas and the vision and priorities of metropolitan leaders. In exchange for greater responsibility, MPOs should be subjected to enhanced accountability measures and tighter disclosure requirements to ensure transparency and accessibility.

Third, we need to design and test new funding mechanisms and reinvigorate old ones to fulfill this new vision.

At minimum, state legislatures need to bite the bullet and raise their gas taxes at least to keep pace with inflation and then target those funds to repair and reinvestment. Washington State Governor Christine Gregoire, for example, persuaded the state legislature to vote for a 9½-cent gas tax increase to repair and rebuild the state's urban infrastructure, including Seattle's Alaskan Way Viaduct.

Folks like Martin Wachs argue – correctly – that expanding reliance on user fees remains one of the most promising ways to equitably and efficiently finance transportation projects. So using the market can also serve to mitigate congestion through strategies like road pricing.

Others take a broader view of infrastructure. Felix Rohatyn, a New York investment banker, and former senator Warren Rudman, have argued for a national investment corporation that would be the window through which states and groups of states and localities would request financing or grants for all sorts of infrastructure projects from road and rails to ports and pipes.

Such an entity could, over time, replace the existing dedicated highway and aviation trust funds, as well as address the new visions for America's transportation system that were never considered fifty years ago.

This idea needs to be amplified and aired in the halls of transportation power and research.

Fourth, we need to commit—right now—to transparency in data, information, spending, decisions to rebuild trust with the public

We need to have a better sense of where our transportation dollars go.

Incredibly, the federal government requires private financial institutions to disclose where they lend but does not require public bureaucracies to disclose where they spend. We desperately need a sunshine law for transportation to better inform decisionmaking at the state and regional levels.

Paralleling other domestic programs, transportation planning and spending decisions should be disclosed in a transparent, accessible, frequent and continuous manner.

This spending should be tracked against important indicators such as congestion mitigation, improving public health and air quality, lowering transportation costs, and expanding transportation options.

There is substantial federal precedent for such an accountability framework. Congress, for example, established a management assessment system for public housing agencies and created a performance measurement and reward system in the 1996 welfare reform law. The transportation system of governance and finance shares many similarities with these other areas of domestic policy—and should operate under similar accountability.

Finally, we need to commit to independent, objective analysis and answer hard and tough questions on transportation and competitiveness.

A greater commitment needs to be made in order to develop a network of independent and objective researchers who can help communities grapple with the serious transportation challenges they face in the new century.

A special research program should be created at the national level to identify and evaluate innovative approaches to metropolitan transportation challenges.

Let us conclude with these thoughts.

Over half the American built environment will be developed by the year 2030.

The question for the nation is, therefore, not whether we grow but how we grow, where we grow and what we grow.

These decisions will have enormous implications for the health of our environment, the quality of our communities and, perhaps most significantly at a time of globalism, the vitality and prosperity of our economy.

We believe that transportation policy will play an enormous role in shaping the physical landscape and economic destiny of this nation.

We also believe that transportation policy and transportation politics must change … must change radically … if we are to build a prosperous, sustainable and inclusive future.

Thank you.