V. THE POLICY PROBLEM: FEDERAL TRANSPORTATION POLICY IS ABSENT, OUTDATED, AND UNDERPERFORMING

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 a range of transportation and related challenges.

Today the federal government has no comprehensive vision for the program, no sense of the spatial patterns of the economy, and decisionmaking still takes place in opaque and unaccountable ways. Moreover, those decisions that are actually open and visible are out of step with national interests. Alaska's infamous "bridge to nowhere" became a catch phrase for a political and decision making process gone wild. The result is that to many observers, the words "infrastructure" and "pork" are more commonly associated than the words "infrastructure" and "competitiveness."

This section discusses the major existing policy flaws.

1. FIRST, FOR THE VAST MAJORITY OF THE PROGRAM THE FEDERAL GOVERNMENT IS *ABSENT* WHEN IT SHOULD BE PRESENT, LACKING ANY OVERARCHING NATIONAL VISION, GOALS, OR GUIDANCE

The decades from the 1950s to the early 1990s were the halcyon years for highway planning and construction. The "interstate era"—the first era of the modern highway program—survived because of a broad consensus that was forged between transportation and political leaders, who were united in their belief that the highway system was essential and necessary to the health and security of the nation. As more than one observer has noted the need for the interstates was not controversial.

Historical accounts from this time suggest that President Eisenhower and his advisors were concerned that while the U.S. had the finest network of highways in the world, there were looming challenges. For one, they expected the U.S. population to reach 200 million by 1970. If so, the nation would need a functioning transportation system to solve myriad problems, including "metropolitan area congestion, bottlenecks, and parking."[1] These ideas electrified governors and other state officials from coast to coast who were otherwise unaccustomed to having a discussion about national transportation policy in such broad terms. However, by the end of the 1980s that consensus had all but disappeared with the completion of the interstates.[2]

It wasn't until 1991's Intermodal Surface Transportation Efficiency Act (ISTEA) that a compelling new purpose for national transportation policy was delineated beginning its second modern era.

When the interstates were nearing completion another national discussion about transportation was taken up by Senate leaders such as New York's Daniel Patrick Monyihan, Rhode Island's John Chafee, and House members like New Jersey's Robert Roe, Pennsylvania's Bud Shuster, and California's Norman Mineta. These architects of ISTEA offered a compelling new framework and clearly articulated a vision, purpose, and direction that resulted in the most important transportation bill in 35 years.

The initial statement of national transportation policy in ISTEA is worth restating here:

> *It is a goal of the United States to develop a national intermodal transportation system that moves people and goods in an energy efficient manner. The Nation's future economic direction is dependent on its ability to confront directly the enormous challenges of the global economy, declining productivity growth, energy vulnerability, air pollution, and the need to rebuild the Nation's infrastructure.*

Unquestionably that statement of policy purpose is just as salient today. Distressingly, 1998's Transportation Equity Act for the 21st century (TEA-21) did away with this declaration of policy, eliminated the purpose statement, and changed the "E" from "efficiency" to "equity" (referring to the equalization of state funding contributions.)[3] The policy purpose language was also omitted from the preamble of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) in 2005.[4] This seemingly arcane bit of trivia is actually quite revealing regarding its lack of clear federal policies and objectives.[5]

Put another way, the program does not recognize that there is a role for the federal government in areas inherently national in scope. This includes functional areas, such as the interstate system created by bold federal vision. It also includes the basic movement of people and goods across states and between metropolitan areas and mega-regions.[6] 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.[7]

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 a large scale.

Instead, each reauthorization cycle is dominated by parochial interests around funding. In particular are the debates over donors and donees: 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.[8] 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.[9] The U.S. Government Accountability Office (GAO) found that the federal transportation program is functioning to some extent as a "cash transfer, general purpose grant program."[10]

This approach is also remarkably inconsistent when compared to other recently federal reforms in welfare and education.

Unlike other major federal programs, transportation has not undergone substantial reform

Program	Preamble	Requirements/accountability	Yearly Spending ($ billions)
Welfare: Temporary Assistance for Needy Families, 1997	"To (1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and (4) encourage the formation and maintenance of two-parent families."	Recipients must work as soon as they are job ready. Single parents are required to participate in work activities for at least 30 hours per week. Failure to work can terminate benefits. States have to ensure that 50 percent of all families and 90 percent of two-parent families are participating in work activities.	$16.5
Education: No Child Left Behind Act, 2001	"To close the achievement gap with accountability, flexibility, and choice, so that no child is left behind."	Designed to improve the performance of U.S. primary and secondary schools by increasing the standards of accountability for states, school districts and schools, as well as providing parents more flexibility in choosing which schools their children will attend. Promotes an increased focus on reading and enacts the theories of standards-based education reform, formerly known as outcome-based education, which is based on the belief that high expectations and setting of goals will result in success for all students.	$13.0
Transportation: Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, 2005	"To authorize funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes."	For highways, program funds are allocated by formula. Project criteria and justification consists primarily of environmental measures; no requirement for cost effectiveness. Peer comparison is rare. Alternative comparisons are optional at state level. Information and data are difficult to access and unclear for the general public. For new fixed guideway transit projects federal oversight is intense as are requirements for multiple project criteria and justifications.	$47.7

2. SECOND, YET, WHEN IT IS PRESENT, THE FEDERAL TRANSPORTATION PROGRAM TAKES AN *OUTDATED* APPROACH TO THE CHALLENGES OF TODAY

As a program with its roots in the 1950s the federal surface transportation program is woefully outdated and cannot meet the challenges of the modern metropolis. There are several key problems.

a. For one thing, the federal government is still not attuned to the needs, problems, and challenges of metropolitan areas

The intent established in 1991 to elevate the importance of metropolitan decisionmaking to better align with the geography of regional economies, commuting patterns, and social reality has largely been subverted. Federal transportation policy has only haltingly recognized metros' centrality to transportation outcomes, and continues to assign states the primary role in transportation planning and programming

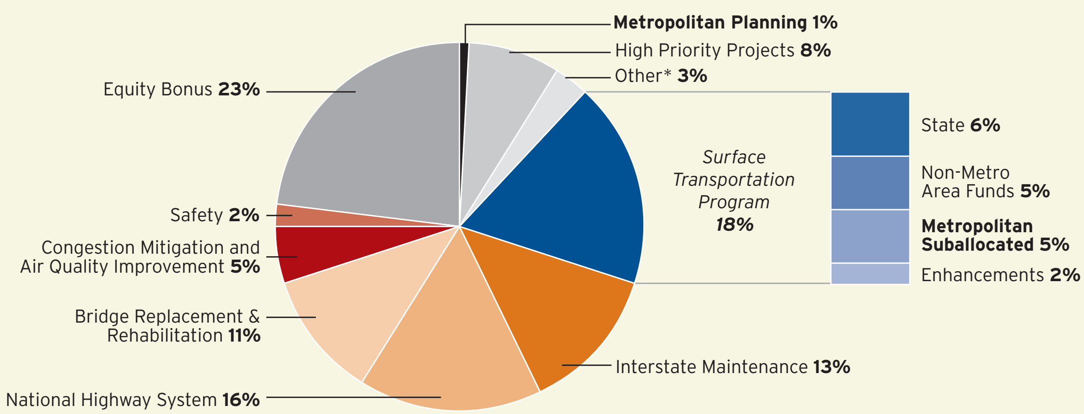
Left to their own devices, most states have not embraced the intent of federal law and have not devolved sufficient powers and responsibilities to their metropolitan areas. They remain the principal decisionmaker on transportation projects, including those within metropolitan areas. Many state DOTs still wield considerable formal and informal power and retain authority over substantial state transportation funds.

By the same token, the Metropolitan Planning Organizations (MPOs) have been dealt a weak institutional hand, and the visions and expectations for metropolitan decisionmaking were not accompanied by a supportive regulatory and funding framework.[11] The governor and state DOT still have veto authority over MPO-selected projects. The GAO found that although large MPOs (in areas with populations over 200,000) also have authority to veto projects, the reality is that the state receives and manages all the federal transportation money, as well as large amounts of state transportation money, and the state's political leverage is far greater than the MPOs.[12] Such arrangements create an unfavorable climate for the flowering of federal policy reforms and frequently cut against metropolitan interests.

Although the federal government is loathe to interfere with the project decisions of state DOTs, one recent example in Portland, OR shows that metropolitan area plans do not enjoy the same freedom. In response to that MPO's regional transportation vision the FHWA admonished the Portland plan for being too focused on "land use goals" and that "the plan should acknowledge that automobiles are the preferred mode of transport."[13]

One positive step to enhance metropolitan decision

SAFETEA-LU's highway authorizations are made under a wide variety of rubrics



**Other includes 54 other items such as Safe Routes to School, Toll Facilities Workplace Safety Study, National Historic Covered Bridge Preservation*
Note: Spending depicted from FY2005-2009

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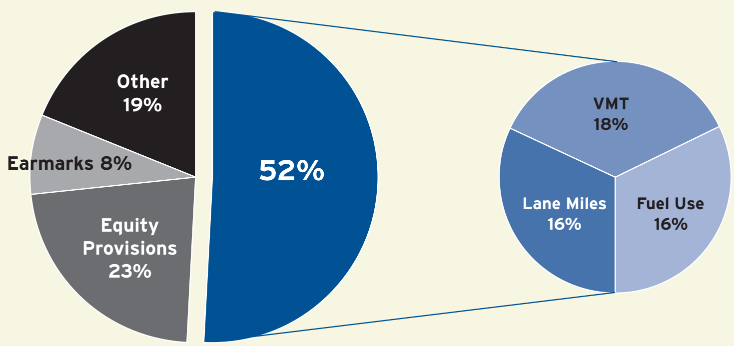


Source: Brookings Analysis of Federal Highway data, FY 2005-2009

making was the suballocation of funds directly to the regional and local government structures initiated by ISTEA. This helped strengthen metropolitan areas by changing the decisionmaking body for a portion of the overall funding, giving local officials the ability to spend federal transportation funds based on the unique needs of their region. However, the reality is that these funds still make up only a very small share of the overall funding pie. Taken together, federal law only gives metropolitan areas direct control over a small share of road and bridge funding under SAFETEA-LU. This misalignment has led to a dramatic shift in the way funds are raised in major metropolitan areas as these places are increasingly turning to voter-approved "local option taxes" to pay for certain metropolitan-scale projects.[14]

Funding analyses in several states show how these biases harm metropolitan areas.[15] 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 rationale—logical or otherwise—does not appear to have had anywhere near the same impact on spatial funding allocation within states.[16] A comprehensive analysis of metropolitan spending based on estimates of federal gas tax revenues generated found that U.S. metropolitan areas together were net donors of over $1 billion in transportation revenues from 1998 to 2003.[17]

This uneven allocation on the highway side—which is repeated in state after state, and metropolitan area after metropolitan area—is starving the older portions of our metropolitan areas areas. This at the very time when those places are struggling with the highest need for repairs and congestion relief, and are ultimately central to economic prosperity and growth in this nation.

b. Federal transportation dollars continue to be distributed to its grantees based on archaic funding and equity formulas

The formulas for allocating federal highway trust fund dollars are largely made on the basis of highway mileage and use. More than half of the funds authorized in SAFETEA-LU are appointed to states based on the traditional factors: amount of roads, miles driven, and 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 rewards those places with road expansions and high gas consumption. There is no reward for reducing consumption in any of these formulas. In fact, any investment in transit or promotion of land use to reduce fuel consumption or substitute for lane miles may result in fewer federal dollars

Partly as a result, transportation spending from all levels of government on new highway capacity increased $20 billion (40.9 percent) from $48.4 billion in 1997 to $68.2 billion in 2002. At the same time unfortunately, spending on maintenance and services only increased $6.4 billion (23.8 percent) from $26.8 billion to $33.2 billion.[18] This legacy of the Eisenhower interstates illustrates that our nation has done a good job in building new highway infrastructure. Fixing, updating, and modernizing that infrastructure is where the nation is falling short.

Some argue that the critique of these formulas is overblown because of provisions guaranteeing that states receive a portion of their highway trust fund payments back from Washington-currently at least 92 percent. Nevertheless, states that take steps to manage demand and/or reduce consumption receive fewer funds overall based on current formulas.

c. The federal highway and transit programs operate on an unlevel playing field

Another outdated flaw in recent transportation reform 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. As a result the metropolitan transportation system, which should serve as the connective tissue within and between metropolitan areas, is woefully incomplete. As discussed earlier, more than half of the largest metropolitan areas have inadequate transit service and very few have regular, reliable passenger rail service.

There is no doubt that the federal policies that govern highway, transit, and passenger rail projects are not equal. These modes, which federal law specifically expects to work together in the development of a balanced multimodal system, are treated differently. This unlevel playing field has profound impacts on metropolitan America and on how they structure their transportation programs to meet the economic, environmental, and social changes of today.

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 U.S. DOT's program for identifying and funding new fixed guideway transit projects is known as the "New Starts" program. The 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.[19] Projects must progress through a regional review of alternatives, develop preliminary engineering plans, and meet the DOT's approval for final design before final approval is given and the project is recommended for a multiyear "full funding grant agreement." And even then each project's share of federal funds is subject to the annual congressional appropriations process.

Another inequity exists in terms of the total percentage of costs the federal government is willing to contribute to highway and transit projects. As mentioned, ISTEA maintained an 80 percent funding ratio for formula and other discretionary programs but capped funding rates for transit New Starts at up to 80 percent of total project costs. In reality, actual funding rates are much lower. In 2002 Congress directed the FTA not to approve New Starts projects with more than a 60 percent federal share.[20] In contrast, highway funding continues to enjoy a federal matching ratio of 90 percent for improvements and maintenance on the interstate highway system, and an 80 percent rate for most other projects.

The high federal highway match also results in inefficient use of funds. States often use their own funds for the matching portion of highway projects, with little or no funding required from the local area. This can lead to inefficient use of federal resources and poor stewardship for federal investments in highways. In contrast, with their lower match, costs for most transit projects must be kept low as local sources of revenue must be identified, and commitments for operating costs and local shares of capital costs must be provided as a key project justification criterion. In the last year for which data is available, federal funds provided 40.6 percent of the capital funds used by transit agencies while state sources provided 11.6 percent and local sources provided 47.8 percent.[21]

Further unbalancing the playing field, the federal government actually removed the one requirement intended to result in better decisions. The 1991 federal law established the major investment study (MIS) process to provide a basis for reaching decisions by requiring a comprehensive analysis of all reasonable alternatives for addressing a particular transportation problem. ISTEA's metropolitan planning regulations required MIS analyses to evaluate the efficacy and cost-effectiveness of alternative investments or strategies in attaining local, state, and national goals and objectives. The MIS considered the benefits and costs of investments related to such factors as mobility improvements; social, economic, and environmental effects; safety; operating efficiencies; land use and economic development; financing; and energy consumption. However, TEA-21 eliminated the MIS as a way to determine benefits and costs of major transportation investments.

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.

d. The policy framework for the intermetro passenger rail continues to be the 1970 law that reorganized the network

The National Railroad Passenger Corporation—known as Amtrak—is in disarray as it continues to operate under the 1970s Rail Passenger Service Act that created it from private rail companies' passenger service. Private railroads retained control of profitable freight service.

Since Amtrak is neither a publicly traded private corporation, nor a public entity, its results are not subject to normal accountability mechanisms. Since it is not an instrument of the U.S. government, it not subject to federal disclosure requirements or the Government Performance and Results Act, nor is it answerable to shareholders, like other companies, or Securities and Exchange Commission reporting rules.[22] Since Amtrak has never enjoyed full support of any presidential administration, it does not have the certainty of funding to conduct strategic, long-range planning.

No doubt Amtrak has received significant public subsidies since its creation in 1971. But the $30 billion Amtrak received in that time pales in comparison to what the airlines have received. First, airlines received nearly $15 billion in direct subsidies following 9/11 – and several are still facing financial ruin.[23] Also, according to the GAO, general fund revenues have composed on average 20 percent of the Federal Aviation Administration's (FAA) budget since Fiscal Year 1997.[24] With the FAA's average annual budget exceeding $10 billion, the total general fund contributions were at least $20 billion over those ten years. Further intensifying the discrepancy, the airline industry supports a proposed additional $40 billion in subsidies to upgrade its air traffic control system.[25] This number dwarfs the $11.4 billion in total, six-year subsidies for Amtrak recently passed by the Senate.[26]

e. The federal program has not embraced market mechanisms or a range of pricing schemes to better operate and manage the system

Economists have long criticized the current system of roadway pricing contending user fees should be structured such that those levied on different classes of vehicles reflect the costs borne by governments to provide those vehicles with the opportunity to travel.[27] One such study found that single-unit trucks weighing more than 50,000 pounds contribute in user fees only 40 percent of the estimated costs of their use. Autos contribute 70 percent of their costs; pickup trucks and vans, 90 percent; and single-unit trucks weighing less than 25,000 pounds contribute 150 percent of their costs through the taxes and fees that they pay.[28]

Another found that even though the gas tax is commonly considered a "user fee" drivers only pay about 80 percent of the costs of the roadways. This does not even account for the external costs of driving.[29] Other studies show this is true within many states.

If charges were levied fairly in proportion to the costs imposed by vehicle type and those charges vigorously enforced, and if roads were constructed to more demanding standards, savings in road maintenance and replacement costs over time would be great enough to permit lower user fees for all classes of vehicles. But getting the prices right also means taking into account the range of impacts such as social costs and environmental impacts on climate change. For example, though the 1978 Energy Tax Act established a "Gas Guzzler Tax" on fuel inefficient vehicles, personal trucks such as pickups and SUVs are exempt.[30]

The expanded use of tolling and other market mechanisms is, as discussed above, an effective and practical solution for mitigating the growth in congestion. Sir Rod Eddington called congestion pricing an "economic no-brainer."[31]

3. THIRD, THE LACK OF A 21ST CENTURY APPROACH TO GOVERNMENT MEANS THE PROGRAM IS *UNDERPERFORMING* AND FAILING TO MAXIMIZE EFFICIENCIES

The federal government is not getting the most out of its $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 its problems. 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.

There are five factors in which the structure and the implementation of the program weakens its effectiveness overall.

a. 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 cannot hold the recipients of federal highway funding accountable for their performance, nor is funding linked to success.[32] This undercuts the viability of the national program.

To be sure, SAFETEA-LU outlines criteria to be "considered" in the metropolitan and statewide planning processes—and could, if adhered to, improve the quality of transportation planning and spending in metropolitan areas.[33] However, SAFETEA-LU's additional funding does not hold states accountable for their performance regarding these factors. In fact, few performance standards were imposed.

Currently, MPOs that receive federal funds are evaluated every four years to determine their minimal consistency with the Civil Rights Act, the environmental justice executive order, and the Americans with Disabilities Act. Any MPO that is not certified can lose up to 20 percent of its federal funding, though no MPO has ever done so. State DOTs, on the other hand, are not subject to certification by the federal government. Statewide transportation improvement plans are to be developed every four years to ensure compliance with the planning factors outlined in the law. However, there is no stated penalty for disapproval of the plan, nor is the failure to consider any factor reviewable in court.

It is important to note that this is not true among all agencies within the U.S.DOT. The National Highway Traffic Safety Administration (NHTSA), for example, has incentive programs and links funding to goals such as increased use of set belts. States have responded to these federal incentives and as a result, 49 states now require vehicle occupants to wear them.[34] In 1984 Congress gave the U.S. DOT the authority to withhold up to 5 percent of federal highway funding from states that did not adopt a minimum 21-year-old drinking age. And in 2003, the nation adopted a blood alcohol level standard to attempt to deal with the problem of drunk driving.[35]

By contrast, the states do not seek permission to build highway projects. Once funds are appropriated, the states can distribute them among projects as they see fit. In fact, the U.S. code neuters the federal role and specifically says that the appropriation of highway funds "shall in no way infringe on the sovereign rights of the states to determine which projects shall be federally financed."[36] The states themselves often do not use formal benefit/cost analysis in deciding among alternative projects and regular evaluations of outcomes are typically not conducted.[37] Amazingly, states do not even have to build over 5,600 of the projects (including the 5,173 "High Priority" projects) that are earmarked specifically in the federal law because the states are allowed to shift the funds to any other project in such section in the same state.[38]

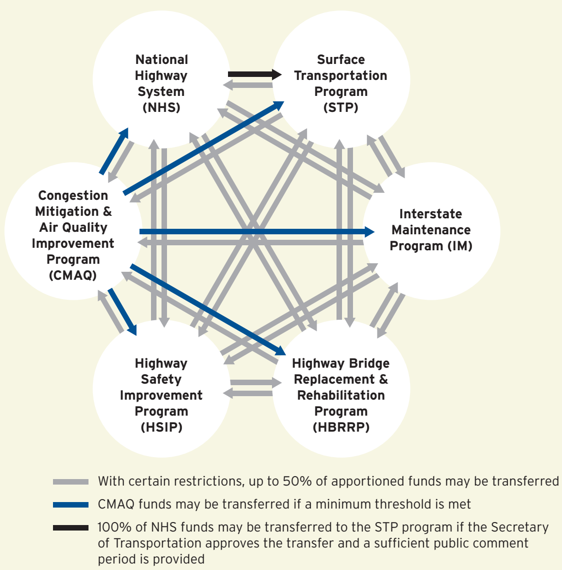
Nor has there been any real attempt to determine the effectiveness of the federal highway program. The 2007 analysis by the Office of Management and Budget points out that there are "no comprehensive and independent program evaluations currently scheduled for the federal-aid highway program, nor have any been completed as a routine measure." They go on to say that it is unlikely that such a study will be conducted.[39]

b. Such analytical exercises are largely impossible due to the astonishing lack of data and information

The federal program does not sufficiently collect, use, or analyze data and information about the transportation system. Although it is imperative that public expenditures are measured and defensible given increased spending scrutiny and tighter budgets, the current state of federal transportation data is woefully inadequate and outdated in terms of its technological reach. The GAO argues that "improvements in data, performance measures, and evaluations are needed to determine whether programs are achieving intended results."[40] Yet credible data largely does not exist on the conditions, operations, benefits, cost, and performance of our transportation network. Without solid data and information transportation decisionmaking is often made based on ideology, rather than solid facts. As former U.S. Deputy Transportation Secretary Mortimer Downey described it, when it comes to transportation policy, "We are flying blind."[41]

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,

States can transfer federal transportation funds multiple ways



Source: U.S. GAO, "Restructured Federal Approach Needed for More Focused, Performance-Based, and Sustainable Programs," GAO-08-400, p 22.

detailed information about state investment decisions using those funds. It is far 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. The FHWA information system only tracks costs for contracts, not for projects.[42] The information that is readily available, such as the FHWA's highway statistics series, is not complete at a governmental level smaller than the state.

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

c. The substantial flexibility in the program is not accompanied by reciprocal performance or accountability

The framers of the "flexible funding" provisions of ISTEA intended to give planners and decision makers at the state and local level the authority to transfer funds between a range of programs, with the direction of the transfers unspecified, but to be determined based on locally-defined goals. Among other things, this freedom of financing greatly assists in the consideration of alternative solutions in order to achieve a more balanced transportation network.[43] However, by not requiring transparency in the process of selecting projects, nor accountability for the results in system performance, the end result of this flexibility has been to weaken the purpose and design of these programs.[44]

For example, up to half of the funds states receive under the Interstate Maintenance program (a program singularly focused on fixing the existing interstate system) and all of the funds in the National Highway System can be transferred to the Surface Transportation Program whose funds can be used for almost any conceivable transportation purpose. According to the GAO, states have this broad flexibility for over half of their federal highway dollars.[45] If the federal program were outcome-oriented and performance-based this kind of flexibility would be useful to achieving goals. But under the current system it actually exacerbates the lack of federal oversight.

d. Guaranteeing a minimum level of funding undercuts efforts at accountability

One of ISTEA's legacies was to ensure that states received a certain amount of funding based not on needs but rather on their share of contributions to the federal highway trust fund. This guarantee inhibits the possibility of a new framework for accountability, tighter disclosure requirements, improved performance measures, and rewards for exceptional performance.

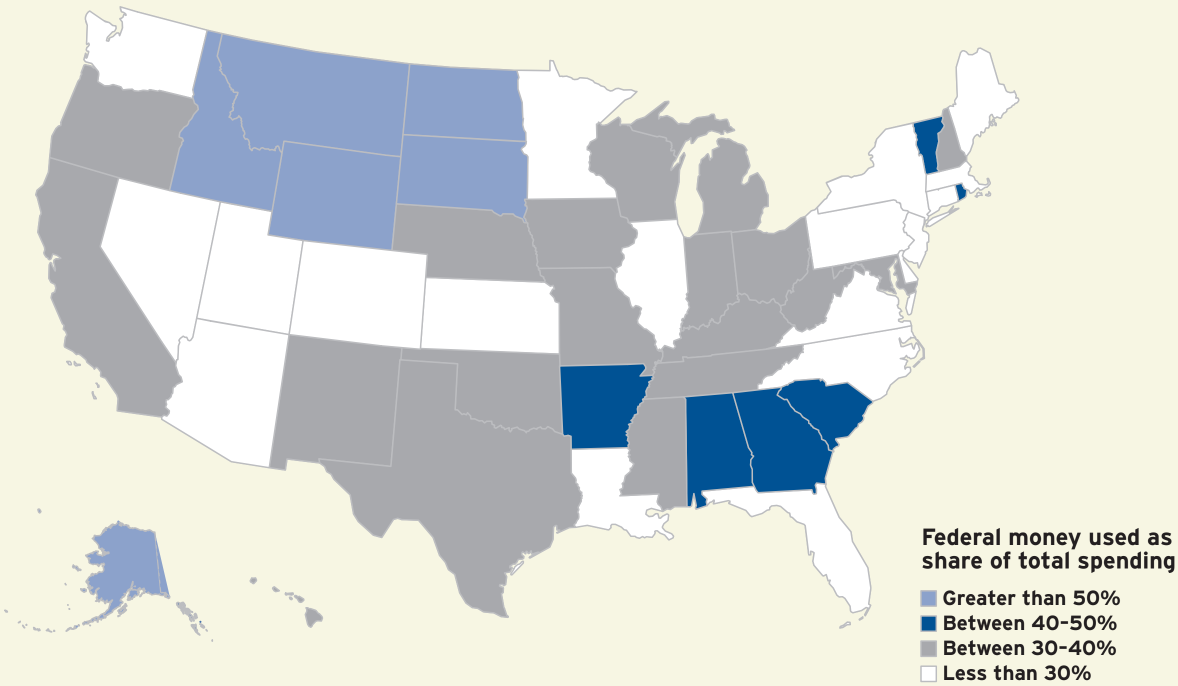
One potential problem is the issue of a "substitution effect" where federal funds—such as the gas tax—are increased the states may reduce their own contributions or shift state resources to other areas.[46] It is important to note that comprehensive analysis of the literature contends that the substitution effect "is not a major concern."[47] Nevertheless, the latest data shows that between 1995 and 2005 six states—Alaska, Idaho, Montana, North Dakota, South Dakota, and Wyoming—relied most heavily on the federal government for the revenues they used for state-administered roads and bridges. The map following shows that only 19 states generated more than 70 percent of their funds from their own sources.

e. Federal policies are highly compartmentalized and often work at cross-purposes

Failing to recognize that transportation is means to an end, not the end itself, policies remain rigidly stovepiped and disconnected. This is a very different approach from how localities function and is out-of-step with metropolitan innovations to connect transportation investments with other policies such as housing, environment, and growth and development.

Although our nation's federal housing program (as articulated in the U.S. Department of Housing and Urban

States often use federal monies for state-administered highways



Source: Brookings analysis of Federal Highway Administration, Highway Statistics, table SF-3 1995-2005.

Development's current strategic plan) has bold goals to increase homeownership opportunities, promote affordable housing, and strengthen communities, our federal transportation policies do not directly support those goals and arguably undermine them. Three of the four appropriating and authorizing committees and subcommittees in Congress have both the words "housing" and "transportation" in their name. Yet the reality is that those areas of domestic policy are rarely, if ever, considered together.

For example, while federal transportation policy continues to disproportionately invest outside of the core areas of metropolitan America, federal housing policy continues to favor the concentration of affordable housing in central cities. Also, by making half of the transportation funding formula based on vehicle miles traveled, lane miles, and fuel use, the federal government is in effect rewarding those states and metropolitan areas that *increase* their greenhouse gas emissions. This at a time when reducing those emissions and driving down the length and frequency of travel are emerging as a key national goal. And similar to the inconsistencies with the federal housing program, the U.S. Environmental Protection Agency's strategic goals to clean the air and address the problem of global climate change, promote clean and safe water, promote land preservation and restoration, and foster healthy communities and ecosystems is not necessarily supported by our transportation policies.

Lastly, even the modes within the federal transportation program are hampered by lack of connections and cohesiveness. By failing to link the nation's separate aviation, rail, transit, and passenger rail networks the U.S. remains the only industrialized country that has not taken an integrated approach to transportation policy. We do not even have a unified trust fund on the federal level. The federal highway trust fund, which is the source for the surface transportation program is split into a "highway account" and a "transit account." Because these accounts are split in this manner, the Bush Administration's FY 2009 budget was able to propose transferring some $3.2 billion from the transit account to fund highway programs to cover the looming shortfall on the highway side of the ledger.

Such rigidity not only undermines metropolitan areas but it hampers our economic, environmental, and social equity goals more broadly.