

Keynote Address

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I am pleased to address this distinguished gathering of two important conferences on intermodal transportation. The Transportation Research Board (TRB) has noted, quite correctly, in the preparatory materials to this conference, that it is essential to promote a dialogue between the leadership of the public and private sectors in the spirit of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). At the same time, we need to identify initiatives here in the United States and abroad that best exemplify intermodalism. Both of these conferences will advance that agenda and will fill an important need in advancing intermodalism here in America. Two years ago, TRB and the U.S. Department of Transportation (DOT) convened a similarly diverse but much smaller group in Irvine, California, to discuss ISTEA and intermodal planning. The Irvine conference focused on how to achieve more economically and environmentally efficient transportation through the combined use of various modes. In the next 2 days we will discuss the progress we have made and highlight specific examples of innovation in intermodal transportation. Today I would like to provide impressions on the continuing evolution of intermodalism.

In preparing for this conference I felt that it would be useful to go back and look at what we were saying in Irvine 2 years ago about intermodal planning. At that time ISTEA was just about 1 year old and, as Lillian Liburdi from the Port Authority of New York and New Jersey noted in her keynote address, “Some of us were wondering, do I really love this new creation, is this baby really mine?” Bob Martinez, my predecessor as Associate Deputy Secretary in the Office of Intermodalism, noted that although intermodalism was the guiding principle of ISTEA, the term “intermodalism” was not defined precisely in the legislation, and this was not a bad thing since it gave us the flexibility to apply the principles of intermodalism in a variety of ways. Rob suggested three: connections, choices, and cooperation. We agreed that an intermodal transportation system should be viewed from the perspective of the total trip. Therefore, not only are points of connection important, but also the links that connect to these points, or the elements of the system.

Given our focus on the total trip, we concluded that there were several things that we as transportation professionals needed to do. The first was to emphasize the performance of the transportation system. Rather than concentrating on construction of specific systems and dis-

tinct modal systems, it is essential to think of transportation as a single integrated system and to emphasize the performance of the system as a whole. We discussed barriers to achieving a performance-based intermodal transportation system. These included institutional structures, lack of data, inadequate analytic tools, no clear planning process, and perhaps most important, a lack of understanding of the roles and relationships of the elements and the many participants in the transportation system. We suggested that research be undertaken to develop these tools to assist transportation planners. We believed that there would be much that could be learned from the states, from metropolitan planning organizations (MPOs), and from others involved in the implementation of ISTEA. We also felt that there was much to learn from the private sector, where intermodalism had its beginning. To capture this knowledge, we suggested that special emphasis be placed on education and dissemination of information about the lessons learned. We discussed the need for federal initiatives to complement the highway system. One recommendation was for DOT to identify a limited number of high-priority national freight corridors.

If there was a single word that summed up the focus of the Irvine conference, it was “partnership.” A great deal of time was devoted to gaining an understanding of what constitutes a successful partnership. We heard that a successful partnership involves a long-term commitment, a sense of cooperation, and shared risks and benefits among the participants. We concluded that we needed to find new ways of partnering between federal, state, and local governments; between the public and private sectors; and between the providers of transportation services and the users of the system. As Larry Dahms of the Metropolitan Transportation Commission of the San Francisco Bay Area said at the conclusion of the Irvine conference, “If partnerships are not elevated to a new level of effectiveness, then ISTEA will be unfulfilled.”

I was fortunate to be at the Irvine conference as a participant representing one element of the transportation system. I confess that I was intrigued by the promise that ISTEA appeared to hold, but at the same time I had a healthy degree of skepticism over whether it could ever live up to the expectations that we all have. Here we are, in New Orleans, 2 years later. Some of us are wearing different hats, but we have come to assess the questions, “Have we made the case for intermodalism? Have we made it happen?” The answer is clearly, “Yes.” Although it may not be at the stage that we would like to see, we have made impressive progress toward achieving a national intermodal transportation system. Is the system perfect? Far from it. But we are certainly better off than before ISTEA was enacted. We have reached this point through the cooperative efforts of all of us in transportation, at all levels of government and the private sector. We will be hearing many examples of the progress we have made throughout the country in the conference sessions.

I would like to highlight some of the achievements of DOT in advancing the intermodal agenda. Let's turn first to intermodal planning. One of the most significant accomplishments of ISTEA was that it explicitly linked planning and funding for transportation, and it made intermodalism a priority in transportation plans. The focus on planning is further strengthened by the emphasis that ISTEA places on developing plans through an open and participative process. This means that more players should be at the table when decisions are made about transportation priorities.

Since ISTEA, we have taken very seriously the emphasis on better transportation plans that incorporate intermodal principles. In developing our planning guidelines and regulations, the Department of Transportation, through the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA), stressed flexibility. Rather than prescribe strict guidelines on what plans should look like, we focused more on what the process should involve. We left it to the states and MPOs to determine how best to plan for their areas. These plans are scheduled to be submitted to DOT early next year.

In keeping with our flexible approach, we have not set forth fixed standards or absolute requirements for the plans. However, we expect that state and metropolitan plans will be mutually supportive. The result of this planning approach has been that state and local officials are trying a wide variety of approaches to planning, and we can all learn from their experience. For example, Ohio has emphasized preserving rail corridors. Six New England states

have tried to integrate their planning activities to understand broad or regional issues. From Alaska, we have learned that in some places highways are not the backbone of the transportation system, but landing strips for small aircraft might be. And Florida, with 25 MPOs, is particularly notable for its coordination and concurrent development of metropolitan and statewide plans.

We have all been struggling with how to make the planning process open and how to bring in new players. Some organizations have set up private-sector freight advisory councils. Others have targeted transportation user groups for participation. Some things have worked better than others, but we have all learned from our experiences.

Despite the call for flexibility, we also expressed the need for integrating some planning issues at the national level if we are to achieve a national intermodal transportation system. One example of this was, of course, the National Highway System (NHS), called for in ISTEA, on which DOT and the states completed work ahead of schedule last December. We are all hopeful that Congress will do its part ahead of schedule by enacting the proposed NHS before the ISTEA-mandated deadline of September 1995.

During the next 12 months FHWA will further advance the NHS through a two-phased effort to identify the intermodal connections to the NHS. Like the NHS itself, this will be a collaborative process involving state and local officials, industry groups, and other interested parties. Clearly the NHS is an important statement of the nation's future priorities for transportation. However, when we think of America's transportation needs for economic growth and quality of life in an increasingly integrated global environment, highways alone do not tell the whole story. That is why Secretary Peña called upon the transportation community to join together to develop a National Transportation System (NTS), which encompasses all modes.

The NTS will serve as a planning framework to focus our attention on the future needs of the entire transportation system. We have spent the last year discussing the NTS concept and framework with providers, planners, and users of the transportation system. As we have heard from these groups, our own thinking has evolved and changed on what the NTS should be, how it should be developed, and what it should include.

Originally, we thought that the NTS would look a lot like the NHS, that is, a set of specific facilities designated as nationally significant that would serve as a guide for funding decisions. However, when we test-marketed that concept, we heard that the NTS must be more than just a map of facilities. You and your colleagues in the transportation community said that the NTS would be more valuable if it dealt with performance, bottlenecks, and corridors. You also stressed that the NTS should relate to the planning frameworks set in motion by ISTEA. We listened to what you were saying, and we concluded that you were right. Consequently, we have revised our proposed approach to the NTS. We are paying particular attention to your suggestion that the NTS focus on performance measures. We are keeping the NTS dialogue open and soliciting ideas on what these performance measures might look like. The NTS will only work for us if it works for you. That's what partnerships are all about.

We have also seen some progress in better integrating aviation into the rest of the transportation system. In this year's reauthorization of the Airport Improvement Program, DOT worked hard to make airport ground access projects eligible for specific airport funding. We were not able to get that far. But the resulting bill did include language emphasizing the benefits of intermodalism and urging integration of aviation plans with broader transportation plans. To help move things along, the Federal Aviation Administration (FAA) is cosponsoring the development of an airport access planning guide. The guide will address the role of airports as intermodal terminals and will include techniques for evaluating alternative modes and selecting the best combination of modes for ground access. In a similar vein, FAA, along with the FHWA and FTA, is initiating a 1-year study in conjunction with the Metropolitan Washington Airports Authority to investigate how high technology can be applied to relieve congestion and delay in airport access systems.

What about funding? We've made some progress in that area as well. Over the last 2 years DOT has received increases in its appropriations, consistent with President Clinton's emphasis on investing in the infrastructure that America needs. However, funding levels still fall short of authorized levels. More important, DOT has aggressively promoted innovative ap-

proaches to transportation financing. Earlier this year FHWA released a report on how we might change some of the rules on how federal dollars are used. We received more than 60 responses, and none of them asked for more money. Instead, they asked for flexibility on local match requirements, expanded authority for revolving loan funds, and authority to generate nontraditional sources of revenue for fast-tracking. There were public and private partnership proposals and many other great ideas. Nearly half of the innovative financing proposals received by FHWA to date involve intermodal projects. I believe that this reflects the interest in getting intermodal projects going, and it also reflects the creativity that intermodal projects generate. Since our original solicitation for project ideas, FTA and the Federal Railroad Administration (FRA) have also requested proposals, and FAA is planning to do something in this area as well.

We have already approved some of these project proposals, and we expect to approve more. This activity has taught us that there is no single program or framework that will foster more innovative use of federal funds. Instead, we expect that it will be a menu of different techniques that can be mixed and matched to meet the needs of the specific projects in question. I should also stress that DOT does not see our innovative financing program as replacing or diminishing the resources dedicated to our traditional grant programs. We all know that our needs for transportation dollars far outstrip existing resources. Instead, this activity will help us stretch our existing resources much further.

How transportation programs are structured is one thing, and I have talked about some of the things that we at DOT are doing to restructure our programs and make them more user friendly. However, we also need to look at how those programs and services are delivered. We might have the best program in the world, but if you have to deal with a cumbersome delivery system, the program will fall short of its original purpose. We have worked hard to improve the rules, regulations, and administrative procedures that govern our programs.

Federal highways and federal transit share the administrative responsibilities for ISTEA, and they have been successful in consolidating regulations and guidance in many program areas. They haven't stopped with regulations. Following the issuance of the final rule on statewide and metropolitan planning, they conducted joint training on regulatory compliance and expectations in virtually every state. Our outreach and training efforts have not been limited to the public sector, however. The Maritime Administration has invested a significant amount of time and energy in reaching out to shipping lines, port authorities, product shippers, and others to ensure that they understand that they now have a seat at the table where transportation decisions are made. And FRA has convened workshops all around the country to explain ISTEA and how it applies to the railroad industry. The Maritime Administration has also placed a new emphasis on port and intermodal issues and has elevated their status within the organization. In the technology area, DOT has given greater focus to coordinating its research efforts. One example is our new joint program office for Intelligent Transportation Systems (ITS)—the name alone says a lot. This is what we used to call Intelligent Vehicle Highway Systems. But we and our partners in industry have learned that the potential applications of ITS go far beyond the highways.

In my office, the Office of Intermodalism, we have organized according to the regions of the country. Why? Because the action is not in Washington. Intermodalism needs to be more than a policy discussion among transportation planners. Users of the transportation system have to see that it improves transportation for them. Our team members have taken on the responsibility to identify promising intermodal projects and to make sure that we at DOT are doing everything we can—be it advocacy, assistance, or removing barriers—to make these projects happen.

We have seen changes in the regulatory front. This year's reauthorization of the Airport Improvement Program included a trucking provision. How is that for intermodalism? It was a deregulatory initiative that affects intrastate operations of motor carriers. The new law provides that a freight motor carrier, for other than household goods, will no longer have to obtain state certification for intrastate operations if it already holds an ICC license or permit. This is a huge benefit for intermodal freight carriers. As one example, it took UPS 20 years to get authority from one state to provide intrastate service to complement existing interstate

operations. Under the new law, a carrier would be able to operate in that state if it already has the federal authority to do so.

When we were at Irvine, one thing we spent a lot of time talking about was data. Virtually across the board, transportation users have expressed concern about the lack of information that they need to make informed decisions. Last year, DOT's new Bureau of Transportation Statistics issued its first annual report of transportation statistics. It represents a start and has proven to be an invaluable compilation of information on what we need to know. The second and much enhanced edition will be available early next year.

I have taken the time to touch on some of the things that we at DOT are doing in cooperation with our partners in government and the private sector for one important reason. When you add it all together, you can see that it is quite a bit. And that is a very small part of the whole story. There is a lot happening in the industry, in the maritime sector, in the rail sector, the trucking sector—a lot is happening all around the country. We have come a long way. However, our work is far from done.

As we look forward, I believe we need to focus on three areas: funding for intermodal projects, analytic tools, and roles and relationships. Turning first to funding, I want to reiterate that we have made progress in the levels of funding, and we've been successful in trying new approaches. Where we need to do more is in structuring funding programs around the unique needs of intermodal projects. Intermodal projects are, by definition, more complex than a typical highway or transit project, because they often involve multiple sources of funding and public- and private-sector participation. They might face questions of eligibility, and because of this they may not enjoy strong support from transportation agencies. We can have all of the policy language that we like, but if we do not address the difficulties in funding intermodal projects, we will not see the projects that we would like to.

This point is especially important for freight intermodal projects. In addition to being complex, they often involve rail elements. And under existing law it is very difficult to fund dedicated rail freight projects with federal dollars. As a solution I suggest that we need to simplify the funding maze for intermodal projects and loosen the eligibility rules for rail freight projects where there is a clear public benefit to be gained. I am not the only one saying that. You will be hearing later that the Intermodal Commission struggled with this very issue.

We started to focus on data needs and frameworks for analyzing transportation choices, but we still face a frustrating lack of tools to assist us in making good intermodal transportation decisions. Addressing this problem is an extremely important objective of the NTS. Through the NTS we need to figure out how to incorporate market information, system performance, and other factors into our decision frameworks. What we have now is clearly insufficient. The work being done by the states on the ISTEA-mandated management systems will also be a major contribution. And at DOT, the Bureau of Transportation Statistics is working with the Volpe Transportation Systems Center to develop a model for making cross-modal comparisons. We need to provide support to these and other activities to help us understand what is happening in the world and learn how the transportation system needs to respond.

In the area of roles and relationships, we have progressed from where we were at the conclusion of the Irvine conference—we have placed an increased emphasis on partnership. It has become apparent that partnership means rethinking the roles that we have traditionally assigned to ourselves. At DOT, we have long been accustomed to making the decisions, controlling the purse strings, and holding a regulatory hammer. But the world has changed under ISTEA. What we have heard from our partners is that they think we also need to play a different kind of role, one that includes convening, facilitation, and mutual support. This is a big change for us, and one that we are struggling to move toward.

We all need to consider our roles as partners—none of us has the luxury of operating in our own little world. Intermodalism is about the integration of transportation, and that requires understanding how what we do affects the entire system. We all need to pay greater attention to understanding how we should work together, rather than allow ourselves to fall into the trap of doing things the way we have always done them.

So we are here today and we are asking ourselves, "Have we made the case for intermodalism? Have we made it happen?" Or, "Has intermodalism happened without or in spite

of our efforts?" I think it is clear that we have made the case, and I think that we have all played a role in making it happen. From its beginning in the private-sector freight industry, intermodalism has emerged because of our collective willingness to think about transportation differently.

A member of my staff has recently suggested that intermodalism is nothing more than common sense. Over the years we have built institutions and planning frameworks that today get in the way of the most efficient and effective transportation system. Intermodalism may be common sense, but it requires uncommon vision and dedicated persistence. Although it might look like we still have a long way to go, we must not lose sight of how far we have come.

We have always characterized ISTEA and intermodalism with terms like watershed, revolutionary, and landmark. Over the next few days we will have the opportunity to celebrate the successes that we have had so far. We will leave this gathering renewed and energized to tackle the obstacles that still confront us on the road, the rail line, the waterway, the air corridor, the information superhighway—or any combination of these—toward intermodal transportation.