LRT Development: State Perspective

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San Diego has received considerable attention for its imaginative deployment of light rail transit technology and for its decision to eschew federal funds and rely on state and local revenues to meet the capital and operating requirements of the LRT system. California’s commitment to funding urban transportation encouraged the Metropolitan Transit Development Board (MTDB) to pursue a policy of fiscal independence. Equally important was the legislature’s assignment of powers and responsibilities to MTDB. A product of state and local politics, MTDB represented a rejection of the nationalization of urban transportation policy of the past 20 years. Indeed, MTDB’s support was based on the wisdom of a national policy that sought to bypass state governments in its efforts to achieve a national urban transportation policy and ignored the fiscal capability of state governments to support programs and moderate conflicts, and the state’s authority to constitute local agencies. MTDB may serve as a model for a more rational national policy that would give priority to state governments in urban transportation policy formulation and not seek to specify organizational arrangements for carrying out urban transportation planning. This paper describes the role of California’s state government in the evolution of MTDB and its LRT system. It concludes with some remarks regarding federalism.

In 1971, California’s Governor Reagan signed the Transportation Development Act (TDA) which established a transit funding program that has since produced $2.1 billion for funding and operating public transit in the state. The program sets aside 0.25 percent of sales tax revenues and permits the funds in urban areas of the state to be used for public transit; in the nonurban areas funds may be used either for transit or for local streets and roads. Although the state legislature establishes guidelines, the revenues are identified as local and are returned to the county of origin for allocation. The program offers certainty of funds and opportunities to develop transit programs. The funds are allocated by regional transportation agencies (in federal parlance, MPOs).

Another funding decision was a constitutional amendment approved in June 1974 that permits gasoline tax revenues, previously constitutionally reserved for highway construction, to be used to construct rail transit systems but not to purchase the systems. The amendment requires a local election be held to authorize a county to participate in the program. Nine counties, including San Diego, have made that decision. A state statute implements the amendment and allows the equivalent of up to 25 percent of the state highway revenues spent in a county to be allocated for guideway construction.
In 1974, regional transportation planning in San Diego was supervised by the Comprehensive Planning Organization (CPO). Because of San Diego's single-county urban area status, the activities of CPO, by agreement of local agencies, were regulated by the San Diego County government; however, as development pressures mounted and because the county was viewed as an overly dominant force in local politics, the members of CPO, by means of a cooperative agreement, separated the agency from county government in 1973. In 1974, on the basis of several years' planning effort, CPO recommended a $2 billion, high-capacity exclusive right-of-way, urban rail transit system for San Diego. The magnitude of this proposal created uncertainty in the community.

In response to the CPO proposal and to the funding opportunity presented by the constitutional amendment, legislation was introduced to create the San Diego Metropolitan Transit Development Board. The legislation

- Assigned to CPO long-term transportation system planning, including identification of travel corridors, definition of land use goals, and recommendation of priority corridors for guideway development;
- Assigned to MTDB near-term operational planning, including determination of funds available for transportation development, selection of transportation technology, and determination of routes, performance criteria, and station locations for guideway systems;
- Assigned to MTDB responsibility for allocating all state funds in its area of jurisdiction, including operating subsidies;
- Identified MTDB as the designated recipient;
- Assigned to MTDB responsibility for near-term, 5-year transportation planning and for development of the annual Transportation Improvement Program;
- Assigned to MTDB responsibility for building and operating transit guideways, provided off-the-shelf technology is used; and
- Designated 10 percent of the TDA revenues to offset the cost of MTDB's operations if San Diego County's allocation of guideway construction funds could be set aside for up to 5 years while MTDB explored the feasibility of developing a rail transit system.

Two extremely important decisions were made during the legislative process. The first concerned the San Diego region. It was clear to the legislature that in San Diego County there was no countywide or regional consensus regarding transportation development. The areas of the county outside metropolitan San Diego wanted out of the plan, and thus "metropolitan" was added to the title.

The second decision, linking multiagency planning, programming, and allocation of revenues with the authority to operate transit services, was made in order to ensure accountability. A perceived error in the development of San Francisco's BART system was superimposing it on the existing transportation system. To avoid this, the transit operators and city and county street and road personnel would need to join forces so that realistic decisions could be made about transportation investments, the assumption being that accountability is directly linked to the authority to operate a public service. To assign such important elements as planning and allocation of resources to nonoperating agencies diminishes accountability of public agencies, although not the public's expectation of accountability. Therefore, MTDB was assigned the responsibility both to plan and to operate the transit facility.

In essence, MTDB was constituted to take advantage of funding arrangements in state law, to accommodate the political culture of San Diego, and to draw on the lessons learned from another transit development experience in California.

FEDERALISM AND MTDB

MTDB's enabling legislation did not escape notice. Agreement between CPO and MTDB was imperative, and the two agencies achieved agreement in a memorandum of understanding that continues to regulate their interaction. Both agencies sought UMTA's opinion of the arrangement and the administrator had no choice but to approve the memorandum of understanding. He concluded his letter of approval with a curious note, however:

The Federal Government does not regard this arrangement as a binding national precedent in any event. We will consider such arrangements on a case-by-case basis as they may be presented to us.¹

That remark implies that the federal government has the right to approve a state's decisions regarding the organization of substate jurisdictions. There is no constitutional foundation for such an assumption, although perhaps the federal government can establish national precedents for organizing urban transportation development processes. The administrator simply had no concept of American federalism. He viewed the system as an administrative hierarchy, not as a noncentralized political system with many independent centers of power.

State and local governments are not middle and lower layers of a national administrative hierarchy. Constitutionally, state governments establish local political systems within their jurisdiction. Perhaps, in the spirit of federalism, national transportation development policymakers should consider states as creators of institutions, interpreters of political culture and norms, and financiers capable of raising revenues that serve to meet certain national transportation priorities. The issue and options paper on metropolitan transportation planning, issued in November 1981 by UMTA and FHWA, mentioned no alternate strategies for taking advantage of the unique role of state government. It simply reiterated what already exists and did not examine what might be done to encourage a greater state role.

For years the national government has sought a coherent transportation policy process in urban areas but has been frustrated by its inability to comprehend local arrangements. The political and administrative relationships among local jurisdictions result from state actions, and the necessary reforms can come only from state government. Perhaps this should be reflected in federal policy.

The Metropolitan Transit Development Board is a good example of the vitality of federalism. Federal policy should encourage state and local institutional and fiscal support and not worry if a "binding national precedent" is being created. In drafting the bill, the state legislature forged an innovative instrument on the basis of established funding, programmatic planning, and accommodation to local political factors. MTDB has responded with vigor and imagination.

REFERENCE

1. Letter from Robert E. Patricelli, UMTA Administrator, to the Chairman of the CPO Board of Directors and the Chairman of MTDB, dated May 24, 1976.

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