

# Urban Intergovernmental Transportation Decision-Making Systems: Portland's Investment in Light Rail Transit

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## ABSTRACT

The research reported here places particular emphasis on the intergovernmental aspects of deciding on and financing the light rail transit (LRT) project in Portland. The significance of the case lies in its demonstration of the importance of intergovernmental collaboration in large-scale transportation investments. It also underscores the inherent fragility of such cooperative decision-making systems. In the context of metropolitan-wide investments, most often there is little institutionalized decision-making process or structure. Frequently, the structure for such decisions is an outgrowth of federal grant-in-aid requirements, which mandate the creation of a metropolitan decision-making framework. In the absence of any historical precedent for or stability in such systems, projects such as Portland's LRT founder on the rocks of political fragmentation and conflict. In this case, the metropolitan decision-making system worked and the lessons to be learned are of value to other urban areas embarking on similar efforts.

The February 16, 1984, Wall Street Journal observed that, "Despite the opposition of Reagan Administration budget officials and many independent planners, American cities are suddenly eager to build costly subways and other rail systems." In the same issue Michael Kemp of the Urban Institute suggested that "the pressure for rail starts typically has far more to do with civic pride, federal largesse and downtown development interests than it has with concerns about moving people efficiently." With an estimated \$17 billion in pending new starts or extensions, rail system development is clearly a high-stakes arena. UMTA has struggled for years to establish a process framework to effectively support both the technical and political dimensions of decision making. Until recently, this framework has been the categorical grant program established under Section 3 of the Urban Mass Transportation Act. Despite great efforts to develop the technical quality of this approach, the decisions have often been reached in the congressional arena, through either earmarking or pressure on the UMTA Administrator and the Secretary of Transportation. Clearly, the increasing pressure for new rail systems will even further test the ability of UMTA to effectively handle the fiscal and political choices that must be made. The problem, however, is not just that of UMTA but extends to the basic intergovernmental framework within which such decisions are made.

Decision makers at all levels of government face

three basic questions about transportation investments:

- Can the rational, sequential character of the technical process mesh with the iterative, value-laden framework of the political arena?
- What factors support effective decision making, particularly regarding policy continuity, regulatory flexibility, institutional procedure, and financial flexibility, in the intergovernmental system?
- What is the most effective way to structure the noninstitutionalized character of intergovernmental decision making, particularly the inclusion of relevant actors and the handling of unanticipated events?

In the absence of effective decision-making procedures and structures, investment decisions about rail systems are more likely to be governed by traditional "pork barrel" politics than by socially and technically desirable applications of decision criteria.

## CASE SETTING AND RESEARCH APPROACH

The Portland, Oregon, metropolitan area is populated by slightly more than 1 million people. Governmentally, the metropolitan area is served by more than 40 jurisdictions, including some on the Washington side of the Columbia River and an elected regional government in the tri-county region surrounding the city of Portland. Transportation is a major concern not because of failing infrastructure but because of new development and economic potential. In 1973 metropolitan officials took the first steps toward identifying a new approach to meeting the region's mass transit needs. Ten years later, the construction of a 15.1-mile light rail transit (LRT) system and 4.3 miles of Interstate freeway widening and relocation began. Costing approximately \$311 million (1982 dollars), the entire project will take just over 3.5 years to complete and will provide service for an estimated 44,000 transit users daily at opening (spring 1986).

Financed primarily with federal Interstate substitution money, the project is intended to serve a multiple set of objectives for the region:

- Reduce automobile congestion and improve east-side transit access to the Portland central business district (CBD),
- Enhance and maintain the vitality of the Portland and Gresham CBDs,
- Shape land use patterns to improve densities and mold residential and business location decisions, and
- Enhance and maintain the overall image of the region as progressive and vital.

Based initially on negative public reaction to a proposed eastside Interstate freeway, project scope evolved during a 5-year period before taking final shape in 1978. Thus, the project represents not the success of a single idea but, rather, the commitment of public officials to a viable decision with enduring value to the region. It also demonstrates the ability of these officials to work with an untried federal financing program and make it work effectively.

The data for this study were drawn from a number of sources. Interviews were held with more than 20 local political and technical officials during the summer of 1982. Documentary sources maintained by federal, state, and local agencies were consulted. Funding for the research was provided by the San Diego Association of Governments as part of a larger study comparing the experience of the Portland project with the San Diego LRT system. The time period covered is 1973-1983.

#### FREEWAYS AND ALTERNATIVES

Within metropolitan areas, Interstate segments have generated increasing controversy since the late 1960s. The "freeway revolt," predicated on environmental and social impacts, has produced significant local political opposition within urban areas. Court suits and the unwillingness or inability of state and metropolitan officials to program construction of these segments have produced considerable frustration.

In 1968, sensing a need to overcome this obstacle, Congress passed the first of a series of highway act amendments to avoid continued delays (1). This amendment (Pub. L. 90-238) permitted states to relocate troublesome Interstate segments. [The Interstate Highway Trade-In Process (1) contains a complete discussion of the history of the substitution program.] This proved insufficient in some cases, however, because it simply moved the controversy.

The 1973 (Pub. L. 93-87) amendments permitted the substitution of an alternative form of transportation. With approval of the state governor and agreement among the principal metropolitan officials, a segment could be withdrawn and replaced by a transit improvement project. The decision to withdraw rested with the U.S. Secretary of Transportation and was to be based on a determination that the withdrawn segment would not impair a unified and connected Interstate system. Further, the substitute project had to meet the same general intent as those funded under the Urban Mass Transportation Act (Title 49, U.S.C. 1601) Section 3 capital funding program. This option clearly contradicted the highway transportation philosophy of the Interstate program but opened new avenues for affected metropolitan areas.

The overall effect of the broadening of the withdrawal program was to introduce a new set of metropolitan-state-federal relationships. Consequently, the following options were made possible:

- A stronger role for metropolitan officials in the determination of freeway location and design;
- A broadening of the transportation philosophy in metropolitan areas, with particular emphasis on the development of transit;
- Support for the development of a multimodal approach to urban transportation planning rather than the categorical, single-mode approach of UMTA and FHWA; and
- A source of general fund monies for transit capital improvements other than UMTA Section 3 funds.

FHWA instituted a continuous, comprehensive, and coordinated transportation planning process for metropolitan areas in 1962. This highway-oriented process, however, has always emphasized state dominance, particularly because grant funds go directly to the states. In 1973 the infant UMTA capital program provided very little leverage for transit improvements. Metropolitan officials confronted with increasing resistance to highways and searching for transit improvement funds had few options. They had a planning role for highways but lacked significant transit, financial, technical, or political clout. If they had a role, it was in creating pressure on state transportation agencies to acknowledge urban needs. The substitution program created the potential for altering this arrangement and reflected the growing political clout that cities have in the nation's capital. This potential failed to flower until later in the decade after additional amendments (1976) and metropolitan experience with withdrawal efforts created a process for successful implementation.

#### PORTLAND AND THE FREEWAY REVOLT

The 1973 withdrawal amendments provided the context for Portland's LRT decision-making process. The LRT concept had surfaced in 1972 but lacked local credibility. In 1972 transportation planning for Portland was highway oriented, but the cost of additional freeways and the impact of their construction on neighborhoods were generating a negative public reaction. Despite a functioning bus system, there was no real commitment to transit.

In 1973 the matter came to a head over the proposed Mt. Hood Interstate segment. The segment had been planned for more than 10 years as a means of linking downtown Portland with another proposed outerbelt freeway on Portland's east side. The project was to have been funded with Interstate monies and would have provided improved automobile access to the Portland CBD for suburban residents. The project was to be built almost entirely within the Portland City boundaries and was a major intraurban rather than intercity freeway. As such, it barely met the federal eligibility requirements for Interstate funding and was accepted only after significant local political pressure was brought to bear on FHWA.

The freeway was planned during an era of heavy reliance on the automobile and reached the final stages of environmental review just as Portland began to develop its version of a "freeway revolt." The draft environmental impact statement (DEIS) clearly demonstrated that the primary beneficiaries of the freeway would be suburban commuters. The social and environmental costs would be borne by Portland residents. More than 1 percent of Portland's housing stock would be eliminated, substantial traffic would be diverted to neighborhood streets, and little improved mobility would be achieved for city residents. Realizing the costs to the city and seeking an alternative, a local citizens' group successfully challenged the procedural validity of the DEIS in court and won an injunction to halt the process. Portland's newly elected mayor, Neil Goldschmidt, who had actively campaigned for better regional transit service, took up the cause.

#### INITIAL STAGES OF THE METROPOLITAN DECISION-MAKING PROCESS

Because of the freeway controversy and as a means of resolving it, then Governor Tom McCall, at Goldschmidt's request, appointed a Governor's Task Force



(GTF), chaired by Goldschmidt, to review metropolitan transportation needs. The GTF began work in 1973 and functioned as a subcommittee of the metropolitan council of governments, the Columbia Region Association of Governments (CRAG). Its major products were a technical report justifying transit improvements for the metropolitan region and a recommendation to upgrade the staff and resource capabilities of CRAG.

Upgrading CRAG's technical capability was important for its contribution to the regional planning process. In 1973 only the city of Portland had the staff resources necessary for an effective transit planning effort. Tri-Met, the regional bus agency, had existed for only 4 years and was preoccupied with running its bus fleet. It had little technical planning ability. Multnomah County, within which Portland is located, had an interest in transit but insufficient staff to mount a regional planning program. The Oregon Department of Transportation (ODOT) had the ability to deal with the region as a whole but was firmly wedded to freeways. Despite its formal designation as the metropolitan planning organization (MPO), CRAG lacked resources, political clout, and technical ability.

Portland's capabilities stemmed from a 1972 commitment by Goldschmidt to an improved regional transit system to support a revitalized CBD and preserve the integrity of city neighborhoods. Several key individuals were hired in the city's Planning Bureau, among them a planner familiar with the Interstate substitution process. Further, this individual had the personal support of Goldschmidt, which enhanced Portland's early leadership of the decision-making process because it effectively linked the political and technical aspects of decision making.

#### POLITICAL PRECURSORS TO THE MT. HOOD WITHDRAWAL

The GTF provided the technical and political justification for a withdrawal effort. Two other steps were necessary before the effort proceeded. Early in 1974, at the insistence of Goldschmidt, Governor McCall replaced the entire governing board of Tri-Met. The justification was the necessity of having a transit agency with more than a bus operations philosophy. The second action was to convince the governor to support the withdrawal. With the exception of four cities, all in the east, no urban area had traded in an Interstate segment for a substitute project. The first four cities to successfully trade in Interstate segments were Boston; Hartford, Connecticut; Philadelphia; and Washington, D.C. Because these cities did so only a year before Portland began the withdrawal process, their experience provided little certainty about the financial or other benefits that could be expected. This created uneasiness about funding for a project and about potential political pressure over lost construction jobs. Because no specific project had been identified for Portland, McCall risked substantial political embarrassment if a guaranteed highway entitlement was exchanged for an empty transit promise. Moreover, ODOT clearly supported the Mt. Hood project. Glenn Jackson, Chairman of the Oregon Transportation Commission, wanted an east-west connector between suburban Multnomah County and downtown Portland. Because he was a major political figure in the state and "father" of the state's highway system, Jackson's support would stave off a state-metropolitan fight over the issue.

Jackson's support, and hence the governor's, depended on his inherent political pragmatism and the construction of another outerbelt freeway (I-205). Goldschmidt was able to convince the county commis-

sioners to withdraw their opposition to the I-205 project. In return, the state agreed to include an alignment for a busway or rail system in the I-205 alignment and relocate an existing decrepit county jail with FHWA highway money. The county agreed to rebuild an existing east-west freeway, the Banfield, to Interstate standards. Subsequently, McCall agreed to support the withdrawal.

#### MT. HOOD WITHDRAWAL

McCall announced his support for the withdrawal in October 1974 but left office in January 1975. The new governor, Robert Straub, had not been party to the initial negotiations. However, Goldschmidt, a close personal friend of Straub; Gerry Drummond, the new Board Chairman of Tri-Met; and Jackson were able to persuade Straub to support the withdrawal.

Federal requirements mandate that the state governor formally request a withdrawal from the U.S. Secretary of Transportation. Given the relative infancy of Straub's administration, the responsibility for developing a technical justification fell to the city of Portland Planning Bureau. Working with the governor's office, the bureau drafted a withdrawal letter. Signed by Straub in June 1975 and backed by CRAG, the letter was sent to the Secretary of Transportation. Approval was granted in June 1976 establishing the right of the state and metropolitan area to use the Mt. Hood funds (approximately \$191 million) for alternative transit and highway projects.

The lapse of a year between the request and its approval was partly the region's fault. At the time the request was made, major legislative changes were pending that would make the withdrawal process more beneficial to the metropolitan area. Portland, Multnomah County, and Gresham had committed themselves to a withdrawal but not to a substitute project. To generate a regional consensus on an alternative to the Mt. Hood project, a more flexible substitution process was necessary.

In 1976 Portland hired a congressional lobbyist to seek a series of amendments to the Federal Aid Highway Act. Supported by other metropolitan areas interested in such flexibility, the amendments were passed in June 1976. The principal changes were

- Escalation of project authorizations with the latest estimate to complete the Interstate system,
- Elimination of a June 1981 deadline for initiating construction, and
- Extension of eligibility to highway projects of a more localized nature.

These provisions greatly enhanced the flexibility of withdrawal funds. Extending the time frame allowed urban areas without specific projects to identify them. Escalating funding with Interstate completion costs created a growing metropolitan bankroll for projects. Adding highway projects reduced the need for large-scale projects, provided substantial opportunity for relieving localized transportation problems, and provided incentives for local political cooperation.

The initial \$191 million produced by the Mt. Hood withdrawal was allocated by CRAG to projects throughout the metropolitan region. The bulk of the funds went to three regional transit corridors. The remainder was promised to other jurisdictions for local highway and transit improvements. Altogether, a list of 140 projects was generated. This list provided financial and political inducements for regional transit planning without fear about where the money would come from.

#### PLANNING FOR TRANSIT ALTERNATIVES

From 1976 through 1978, the region completed a Banfield alternatives analysis. In August 1976 a regional commitment was made to the Banfield corridor as the number one regional priority and the potential site of a project to replace the Mt. Hood freeway. The commitment was based on several factors:

- The corridor was on the east side where the freeway had been withdrawn, and there was an inherent political commitment to build there first.
- Highway improvements were necessary in the Banfield corridor to coincide with the opening of the I-205 freeway and fulfill political commitments made to Jackson.
- There was political pressure to replace the jobs lost from the Mt. Hood withdrawal.
- ODOT had the lead-agency role on the corridor (Tri-Met on the other two corridors) and a proven construction track record.
- The initial technical work on the other two corridors indicated that they would take longer to complete.

At the same time, Portland was having technical troubles with FHWA and UMTA concerning the planning process. Having created a flexible decision-making environment, the metropolitan area was confronted with two federal agencies operating on a categorical grant basis with different planning requirements. Because the Banfield corridor was evolving into a joint highway-transit project, both agencies had to be involved. Never having shared responsibility for a project before, they insisted on applying their own separate approaches to a project that the region perceived as a single effort.

The region was caught between the two agencies and had to integrate the two sets of planning requirements. The FHWA process was better suited to the need for progress because it was shorter and permitted funding for preliminary engineering before final federal project approval. However, the transit aspects of the emerging project would require a close working relationship with UMTA. Furthermore, Tri-Met would have responsibility for constructing the transit element. Tri-Met did not want to deal with the highway-oriented FHWA or ODOT--Tri-Met wanted a natural ally. Finally, despite the availability of the withdrawal funds, the region did not want to sink all of its monies into the Banfield corridor. There was a clear preference for supplementing them with an additional grant from UMTA, adding to financial flexibility. Ultimately, a compromise was struck that permitted the region to proceed under a modified FHWA process but with concurrent final approval from UMTA.

#### ARRIVING AT A FINAL DECISION

The planning process was completed in December 1978 with the approval of the preferred LRT alternative by Tri-Met, Gresham, Multnomah County, Portland, CRAG, and the state. However, before UMTA would grant permission to prepare a final environmental impact statement (FEIS), it forced Tri-Met to retrace a number of the technical estimates in the DEIS, particularly ridership estimates. UMTA questioned the choice of the LRT on the basis that the Banfield corridor was located to the north of the most logical pathway for express transit service--the Powell Boulevard corridor in southeast Portland. This corridor was downgraded in the technical analy-

sis because it was the site of the Mt. Hood freeway. It made little sense to regional officials to undertake a major construction project in the corridor that had produced the political conflict surrounding the proposed Interstate segment. The Banfield corridor, as an existing freeway corridor, was less likely to generate controversy. UMTA felt that the LRT was unlikely to generate the ridership and, hence, operating cost savings that were claimed in the DEIS for the Banfield alignment. Consequently, UMTA sought adequate justification of the project. Because of this dispute, it took several months to gain permission to proceed with the FEIS: permission was finally granted in August 1979.

#### FINANCING THE LRT

As the decision-making process played out, local efforts shifted to the financing of the LRT. Little attention had been focused on this issue because of the Interstate bankroll. The LRT cost estimates, however, had risen to \$161 million by the time of recommendation. Approximately \$70 million was available from the Mt. Hood monies. The remainder was to come from an UMTA capital grant and local matching funds. Tri-Met, which was to build the LRT portion of the project, lacked the resources to provide the matching funds. ODOT could tap state gasoline tax revenues for its highway matching money.

In the fall of 1978 Goldschmidt proposed the withdrawal of another Interstate freeway segment. This freeway, I-505, was contained solely within the boundaries of Portland and was intended to serve the city's northwestern industrial district. City planners determined that a replacement project could be developed at far less cost. Hence, the mayor proposed to the state that I-505 be withdrawn and the funds be distributed to regional projects including a portion to the LRT. Because the project affected only the city and because Goldschmidt chaired CRAG, it was relatively easy to obtain regional approval. Simultaneously, the mayor proposed that the state provide the Banfield transit matching funds. In return, the metropolitan area would forego other federal highway funds that would have come to the region. Approximately \$76 million over an 8-year period would thus be available for projects outside the metropolitan area.

The legislature was asked to provide \$16 million and in return other cities in the state would share the \$76 million. However, there were two major stumbling blocks. First, Straub had lost a reelection bid to his Republican opponent, Victor Atiyeh. Atiyeh, who assumed office in January 1979, was a fiscal conservative and a previous supporter of the Mt. Hood freeway. With the assistance of Jackson, a major Republican supporter, Atiyeh was convinced to accept the proposal on the strength of the local political consensus and the financial windfall to the rest of the state. Atiyeh persuaded the legislature to accept the proposal with the understanding that any additional local matching funds would come from metropolitan sources.

The second obstacle was Oregon Congressman Robert Duncan. As Chairman of the House Appropriations Subcommittee on Transportation, Duncan believed that the matching funds should come from local sources to guarantee commitment to the successful completion of the project. He was troubled further by the precedent it might set for other states. He was finally persuaded to accept the arrangement when new cost estimates indicated that the \$16 million would be insufficient to meet matching needs. Tri-Met agreed to provide another \$10 million, which sealed Duncan's approval.



## FEDERAL APPROVAL

When the local match had been arranged and Duncan pacified, the metropolitan area turned to obtaining final federal project authorization. The FEIS was begun in September 1979 and completed in June 1980. The FEIS was approved by U.S. DOT in July 1980, and final project authorization was issued by Goldschmidt, newly appointed U.S. Secretary of Transportation, in August 1980. All that remained was federal approval of an UMTA capital grant for \$85.7 million and appropriation of necessary Interstate transfer monies by Congress. Goldschmidt, despite his position, was hamstrung by a lack of sufficient DOT budgetary authority. As a result of the assistance of Oregon Representatives Duncan and AuCoin in the House and Senators Packwood and Hatfield, legislative authorization to provide funds for the project was obtained.

A letter of intent was announced by Goldschmidt in the early fall of 1980, one of his last acts as Secretary. Ronald Reagan assumed office 2 months after the announcement and placed a ban on new rail starts. Because of a lack of administration and congressional support, the Portland project was effectively at a standstill. UMTA simply refused to honor the commitment of the previous administration. The metropolitan area, however, was not about to give up. Another legislative resource surfaced: Senator Mark Hatfield, new Chairman of the Senate Appropriations Committee.

Hatfield had not played a leading role in the early phases of the Banfield project, but he was familiar with it. His support for funding was pivotal, but he was caught in a squeeze. Oregon needed his support. The White House also needed his support for its budgetary proposals. The White House could not afford a direct capitulation to a Portland request, nor could Hatfield afford to make the request without jeopardizing his relations with the executive branch.

To circumvent this impasse, Tri-Met proposed that the project be funded completely with Interstate transfer funds on a cash flow basis. The attractiveness of this scheme was twofold: (a) no grants would be made from UMTA funds and (b) the budget demands would be spread over a 4-year construction period. Hatfield took this concept to the White House and gained support for a legislative authorization that was finally approved in September 1981.

Portland won a double victory. In suggesting the funding scheme, the region had promised to move Mt. Hood funds previously promised to the west-side Sunset corridor to the Banfield corridor. In return, UMTA promised \$76 million in nonrail capital improvements to the Sunset corridor. Because the region had not identified a project for the west side, it reaped a guaranteed windfall of monies that would otherwise have had to come from annual congressional appropriations and the UMTA administrative approval process.

In March 1982, 6 months after legislative approval of the funding scheme, UMTA Administrator Arthur Teele brought a full funding agreement to the groundbreaking ceremonies for the LRT maintenance facility.

## ASSESSING THE CASE

The development of the transit option for Portland provided a direction for the rethinking of the region's transportation planning and decision-making process. Given the initial absence of particular project-level objectives and the ambiguity about how transit could supplement, replace, or support high-

ways, the ensuing decision-making process had to be diffuse and fluid. Without the pressure to provide an alternative project to the Mt. Hood one to ensure capture of federal monies, the subsequent events might not have occurred at the same pace or with the same certainty. Facilitated by the absence of clear-cut cleavages between competing project objectives, decision making was framed around options rather than alternatives. As the alternatives emerged, the respective participants were in a position of opportunity rather than opposition. The flexibility of the funding process minimized costs to the respective jurisdictions, and the only potential losers were the supporters of the Mt. Hood proposal who were politically hamstrung by public opposition to the freeway. In the vacuum created by the withdrawal, new directions were possible that might not have been at any other time. That they came to fruition was a product of the leadership provided by a number of individuals, the political pragmatism they demonstrated, and the willingness to exploit opportunities as they presented themselves. However, it is also clear that, although many individuals contributed, no one had a grand game plan that led the process from start to finish. Instead, a slow aggregation of support and consensus building, which co-opted where necessary and fed divergent interests, produced an outcome that had not been a foregone conclusion.

The Banfield corridor transportation planning process reflected the inherent federal interest in promoting effective regional cooperation, but it did not do so through specified regulatory channels. Moreover, it facilitated local accommodation of political and administrative agencies without undue red tape and paperwork. Implicitly, the federal categorical grant process provides a structure for grantee development and choice of alternatives. However, the grant process is usually imposed on a situation of drawn local battle lines or predetermined choices. The Portland case was unique not in the fact that its political and technical officials were any better than those of other urban areas but in that they were able to enter the federal process before a project commitment was made, make use of the process for the purpose of identifying a workable approach, develop the necessary decision-making consensus, modify it where necessary, and consequently develop a workable project.

Clearly, the integration of the technical and political process underlying the Banfield decision was important. Perhaps not fully justifiable from either perspective, it was acceptable and understood by the institutional participants. Moreover, the time invested in building this linkage resulted in a solid base of support for the project.

The Banfield corridor project has contributed to the development and enhancement of two of the region's major organizations, Tri-Met and METRO. METRO became an improved regional forum for decision making. Without this forum, a far more cumbersome and complex approach would have been necessary. Used or abused by the participants, the MPO has become a common meeting ground for the resolution of policy and program differences. There is sufficient justification to question whether without METRO and its technical capability the process would have found the necessary mechanisms for integrating diverse interests.

For Tri-Met, the result has been its emergence as the sole transit advocate for the region. Its participation as a passive observer in the early phases of the transportation planning process may not have served transit interests well. But, as Gerry Drummond, Tri-Met's Board Chairman, has observed, now that the commitment to transit is established, a

major project underway, and the original leadership dispersed, Tri-Met is the metropolitan leader in the transportation development process. The building of the organization's administrative capacity, the rethinking of its mission, and the upgrading of its public image have made the agency a recognized leader in the national transit industry.

Organizational change also led to a greater state role in metropolitan transportation issues. ODOT is still a traditional state highway agency in many respects, but its involvement in the transportation planning process for Portland affected and accelerated its evolution toward a broader transportation philosophy. This has not resolved all of the tensions between Tri-Met and ODOT but it has tempered and hastened the recognition that the two agencies share a future of common interest. A deeply seated, antagonistic relationship between them would have impeded both regional decision making and the achievement of the respective goals of the two agencies.

#### MULTIPLE FORMS OF POLITICAL LEADERSHIP

Goldschmidt played an early, central role, but he alone did not drive the decision-making process. Many local and state officials contributed to the development of the local political consensus. Further, there was a mutual interest, either for pragmatic or philosophical reasons, in seeing the process move forward productively. Because of this, the project was not identified solely with any one interest or perspective. It became a truly regional product.

From the inception of the analytic process, the commitment to build an east-west freeway improvement was a key ingredient in ODOT's political and technical support. This support was not without its costs, however. The county's insistence on the LRT option and ODOT's commitment to freeway improvements meant that these alternatives took on an independent existence and could not be ruled out simply for technical reasons. Portland's commitment to its CBD also became an obstacle to a smooth technical process. Despite their linkage to transit, these options limited the evaluation of alternatives. Accommodation of these interests and resolution of conflict were critically important to the ultimate success of the project and maintenance of the local political consensus.

There were other less troublesome issues but none were more important. The resolution of these "squeak points" was possible because of the commonly felt need to get some project agreed to, the commitment to tap the Interstate transfer monies, and the flexibility of the funding scheme. Perhaps most important, however, was the recognition that all of the participating jurisdictions stood to lose if an agreement on a project was not reached. Without deeply seated commitments to specific contending projects, the participants could work constructively toward a project that was ultimately acceptable to all involved. The absence of a preferred project until relatively late in the process also meant that the participants were generally working toward an ambiguously specified goal. Such efforts take time.

#### DECISION-MAKING DELAYS

The problem of federal regulations must be approached on two levels: (a) in what areas should the federal government regulate and (b) what improvements can be made in the federal regulatory approach in order to fine tune the administrative process and

thus alleviate unnecessary paperwork and expedite decision making? Ultimately, the answers to both questions rest on a fundamental problem of multiple publics and accountability to them. None of the local respondents interviewed questioned the need for federal regulations. Federal requirements, and those of state and other jurisdictions, become troublesome, however, for the following reasons:

- Critical time problems inherent in an individual project,
- Conflict with the inherent substantive interests and program objectives of individual or multiple participants,
- Consumption of time with no ascertainable payoff or benefit, and
- Arbitrary and capricious application.

The regulated party may not always clearly articulate its objection to regulation on any of these grounds. Indeed, it may confuse them, complain vociferously on one ground for the purpose of circumventing a requirement founded on another, or engage in an activity that simply falls between the cracks of existing regulations. Particularly in the latter situation, new and different projects and processes raise issues and problems that confound the intent or prior knowledge of even the wisest of regulation drafters. The problem of regulation is not just a matter of an undesirable regulation. The perceptual and practical context of a regulation's application determines its acceptability to affected parties.

In the Banfield corridor case, the major local problem with federal regulations was more with their application than with their content. Most respondents felt that there was far too much capriciousness in the application of regulations and technical requirements. However, local officials were just as willing to delay or bend rules when it suited their needs or time requirements.

The uniqueness of the Banfield funding process and the nature of the project left it between the cracks of two federal funding programs. Both UMTA and FHWA were dealing with a project that did not quite fit their respective guidelines. Consequently, they often had to redesign or custom fit federal regulations to the conditions presented by the Portland approach. This made the application of federal requirements less predictable.

Further, decision making takes time. Administrative agencies, policies, regulations, and people change. This critically affected the outcome of the federal-local relationship. Local officials believe that the constantly changing organizational structure and personnel of federal agencies have led to mixed and inconsistent interpretations and applications of regulations. Changes in the federal bureaucracy made it difficult to plan, often occurred at critical points, and sometimes created incomprehensible Catch-22s.

#### INTERGOVERNMENTAL CONTEXT

Large-scale projects require a flexible decision-making process. Flexibility, however, is often difficult to achieve in a constructive fashion because of potential impacts and consequences. Major rail and highway projects inevitably pose problems arising from unique on-site conditions, changing contexts, and potential opportunities. Flexibility in the Banfield case often had to be forced, in the perception of local officials, on the federal government. The "rightness" of this local effort notwithstanding, this meant custom tailoring federal

requirements to local circumstances. The degree to which this is possible for the federal government is problematic, particularly with regard to issues of accountability and precedential claims by other grantees.

The federal government can make an effort to accommodate local initiatives. Although local officials believe that their proposals merit such attention, it is important to recognize that they may be pushing their federal counterparts to the limits of discretionary authority or exposing them to policy consequences that may prove counterproductive from a national perspective. Couple this with local efforts to change federal policy requirements and a situation is created that goes beyond a matter of mere regulatory discretion and flexibility.

#### PROJECT FOCUS

Illustrative of this problem are the federal transportation planning requirements. Although couched in terms of a continuous, comprehensive, and coordinated process covering three distinct time frames (short-, medium-, and long-range), the requirements really emphasize a project focus. Hence, if a metropolitan area has established a working consensus and process for local decision making, which produces the expected products, there is a substantial likelihood that a cooperative federal-local relationship will exist. This consensus, however, may only be "skin deep," developed solely to take advantage of federal funding, and without significant commitments to a long-term working relationship focused on mutually acceptable goals. The novelty of the Portland case illustrates still another problem: when there is not a project or product focus, it is difficult for federal agencies to work with metropolitan areas involved in a major reorientation of policy goals and decision-making processes. From a local perspective, dragging the federal actors into the process may be done in the name of cooperation but without recognition that these agents lack the ability to resolve local conflict or wish to avoid the often zero-sum character of local decision making.

Unlike traditional categorical grants for highways and mass transit projects, the withdrawal funds were used for a wide variety of projects. This laid an important groundwork for an effective local political consensus not only for the Banfield project but for transportation improvements and goals throughout the metropolitan area. The flexibility also enabled the region to respond effectively to administration prohibition of new rail starts by internally reallocating funds to construct the project. Thus, the flexibility of the process provided options and forced local rethinking of priorities without extending the decision making ad infinitum. It also demonstrated the ability of a less restrictive funding format to promote creative problem solving and mesh disparate objectives. This is the kind of outcome hoped for within a broadly construed set of federal priorities.

#### CONCLUSIONS

The Banfield experience illustrates the desirability of making known jurisdictional objectives and of developing both an effective local consensus and communications capability and an effective problem-solving process. In the absence of a definitive set of federal decision criteria and locally derived priorities, this may be the most desirable outcome. The pseudo-block grant mechanism developed through the Interstate withdrawal program puts a premium on

several attitudinal and programmatic approaches to transportation decision making in an intergovernmental system.

First it requires a broad frame of reference within which the respective agencies must establish and share their objectives and goals. It minimizes the need to examine in minute detail each action by the respective parties, relying instead on a commitment to a constructive process of mutual agreement and problem solving. By establishing broad parameters for optional courses of action, it allows the respective parties to adjust to the realities of given situations and negotiate workable solutions. It forces recognition of individual policy and program limitations without interjecting or forcing accommodation to the programmatic and regulatory requirements of another entity.

Within the financial resources available, this approach permits exploration of attainable options without precluding opportunities and innovation. Achievement of these ends, however, requires a good-faith attitude, a recognition of legitimate policy mandates and regulatory requirements, and communication that promotes learning and understanding.

Too much cooperation, however, also poses a danger to effective decision making. The political and technical marriage of the Banfield project produced a project that met political tests and technical procedures. The technicians and politicians honestly and sincerely believe that the project will work, be cost-effective, and be the centerpiece of Portland's transit future. In retrospect, however, the decision took place in an evolving technological context. The expectations of the 1970s concerning transit's ability to solve land use, environmental, and energy problems were very high. These expectations have been tempered by greater recognition that such results have not always been achieved. Similarly, the basic models for transit demand forecasting during the decade were not as sophisticated as are those of today. Thus, to some extent, there was an element of faith in the ultimate selection and effectiveness of LRT.

Within this context, several broader implications emerge. Categorical grants have contributed to the creation of structured decision-making processes for metropolitan areas, particularly where none previously existed. The minimization of federal grant requirements through a switch to block grants reduces this structuring capability and, thus, forces local decision makers to rely more heavily on their own ability to create effective intergovernmental decision-making systems. Viewed from national and metropolitan perspectives, this may generate greater ambiguity in decision-making processes and outcomes.

Where large-scale transportation investments are concerned, time is always important because its passage adds to costs. However, with potentially less rigid decision systems, more effective decisions may be sacrificed for less costly projects. The national, social, and political costs of a faster, more localized decision-making approach are simply not clear.

Changing national and state policies has always posed a dilemma for local decision makers. Reliance on more flexible decision-making systems may temper the impact of such changes. However, as the Banfield project experience suggests, flexible decision-making systems are not immune to the consequences of policy changes. Although it would be naive to expect a guarantee of policy continuity, there is still some need for predictability in the policy framework. The minimization of programmatic and policy structures may tend to reduce predictability. The relationship of crosscutting policies (e.g., Davis-Bacon, Buy America, civil rights) and the

principal policy focuses of transportation may become even more ambiguous than in the past. Moreover, there may be even greater latitude for intergovernmental participants to mutually tamper with one another's legislative, policy, and programmatic goals.

The current stresses facing MPOs suggest a troubled future for the institutionalization of intergovernmental decision-making systems. Although flexibility may be enhanced, just as likely perhaps is the possibility of local stalemates. Metropolitan areas have often demonstrated an inability to produce workable commitments and to maintain them. Divergent local political factions have often thwarted effective decision making. However, the need for successful and effective political leadership in transportation investments is clear. As important, local policy continuity is also required. In the absence of metropolitan political leadership and policy continuity, other intervening factors (e.g., the national economy, political opportunism) may drive the decision-making process.

The ability to deal with intervening factors requires some stability in the intergovernmental decision-making arena. Changing technological, economic, and political factors demand institutional stability and strength. These characteristics take time and nurturing to develop. There is some doubt that the necessary institutional muscle of metropolitan intergovernmental decision-making systems exists at the present time.

These observations are not intended to bury the concept of block grants or more flexibility in intergovernmental decision-making systems. They are rather cautions that have been overlooked in the rush to decategorize transportation investments and federal grant programs. As decision rules and federal programs become less structured, more politically acceptable decisions can probably be expected locally, but outcomes will be more ambiguous. The

metropolitan decision-making systems created under the federal programs of the last 20 years may still lack the institutional character demanded of them in the case of very costly transportation investments. This is an issue that is worth continued monitoring and attention.

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# Microcomputer Applications in a Metropolitan Transportation Planning Agency

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#### ABSTRACT

The explosion in microcomputer applications in transportation has largely been in the planning and engineering areas. Another area where microcomputers show great promise is improving the ability of a metropolitan transportation planning agency (MPO) to organize and analyze the large amount of information it needs to manage the complex financial planning of the region's transportation investment program. The initial experience of the San Francisco Bay Area's MPO

with microcomputers is described and the most important areas for further development are explored.

The objective of this paper is to serve as a two-dimensional case study about developing microcomputer applications in regional transportation planning. The first dimension is the process by which needs were analyzed and choices made, resulting in the acquisition of a microcomputer system. Others might benefit from both positive and negative expe-