



WORKSHOP 2: POLICY PLANNING

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Report

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Workshop 1 first defined policy planning for transportation. Then, drawing on and expanding the discussion of policy planning issues in the conference state-of-the-art paper by Creighton and the workshop resource paper by Breuer and Schad, it considered how those issues can be dealt with by a

OBJECTIVES

To identify the current strategies being prepared and used by the states to develop and implement multimodal transportation policies and the importance of those policies in the transportation planning and decision-making process at the state level.

To recommend improvements in the development of policy as an essential element of the statewide transportation planning process.

To recommend a program of research in statewide transportation policy planning that considers the varying nature of state organizations.

ISSUES

What is policy planning at the state level? How are policies formulated? What is the transportation planner's role in the formulation of said policies?

What is the importance of goals and standards in establishing guidelines for the development of specific policies and programs?

What are the fiscal constraints that hinder or impede the development of specific transportation plans of a multimodal nature?

What is the role of the public in establishing statewide transportation priorities? How are the priorities brought into the process of decision-making?

How should responsibilities be assigned for the provision of transportation facilities and services to public and private agencies? What should be the subsequent relation of the state to them?

What is the relation of the state transportation department to other state and local organizations, such as comprehensive planning units, in the development of policy plans?

Are capital budgeting and programming of transportation improvements essential elements at the state level? If so, what appropriate techniques are currently being used to establish short-range as well as long-range capital improvements?

How can appropriate transportation decision-making processes be developed to include relevant environmental, fiscal, and other factors?

What effect will energy limitations have on both long-range and emergency plans, especially modal-mix and regulatory planning?

What policies are needed for distribution of transportation costs, particularly in relation to policies for user charges, tolls, taxes, or other revenue forms?

Should minimum standards of service be developed for special groups, such as the handicapped and the aged, or for particularly depressed areas, both economic and social?

transportation department. The present and most promising approaches of investigation, analysis, and evaluation for different types of issues were identified, and some organizational consideration was given to where policy planning should be located and what kinds of skills and capabilities are required. Then areas of research were suggested that could advance the ability of states and others to propose, develop, adopt, and implement transportation policy. Some conclusions and recommendations applicable to all of the policy areas were made.

DEFINITION OF POLICY PLANNING

The structure in defining policy planning is as follows:

1. Value, which is a broad statement of societal purpose, e.g., justice;
2. Goal, which includes a value and an action to be taken, e.g., increase safety or decrease pollution (goals may not be completely attainable, but achieving one goal may conflict with another);
3. Objective, which contains a value, is an action statement, and adds specific quantitative statements of the levels of achievement intended and time spans for its achievement, e.g., reduce air pollution by 50 percent in the next decade (objectives provide targets for program design, and implicit in them are acceptable levels of compromise and trade-off in attaining conflicting goals); and
4. Policy, which is a statement of the framework of freedoms and constraints within which society must operate to achieve goals, e.g., highways will not be located or built that raise air pollution levels above specified targets, or automobile pollution per mile must be reduced to a specified level.

Policy indicates a specified direction to be taken, but can be general enough to allow alternative objectives and actions to be proposed and evaluated. Policy planning, then, can be defined as the forming of a method for devising and achieving a course of action that is advantageous or expedient. It deals with constraints (financial and legal) affecting the authority, powers, and responsibilities of agencies and governments; the procedures, processes, and participants in decision-making and implementation; and the rules, standards, and criteria. Its products describe generally what is to be done, who is to do it, how, and within what limits. Systems planning, on the other hand, defines physical facility and service requirements for specific locations.

TYPES OF POLICY ISSUES

The workshop resource paper identified 6 policy areas; the conference state-of-the-art paper classified policy issues in 3 areas. For workshop discussion, policy and subpolicy issues were grouped into 4 areas:

1. Allocating responsibilities for providing transportation facilities and services and developing procedures for reaching transportation decisions;
2. Integrating privately provided transportation services into the statewide system;
3. Changing the nature and magnitude of the demand for transportation instead of the supply of facilities and services; and
4. Financing and charging for transportation.

These areas encompass most of the policy issues that influence the problems and activities of a state department of transportation.

ARRANGEMENT OF INSTITUTIONS

There are 2 aspects of institutional arrangements.

1. The allocation of responsibilities for providing transportation for all modes. For example, who owns, operates, assists financially, regulates, and mandates the nature and amount of facilities and services by mode? The state, the local government, the private sector, or a combination of these?

2. The procedures for reaching decisions on plans and programs to appropriately reflect implementing agency policies as well as comprehensive planning relations and social-economic-environmental factors. For example, the A-95 and the urban transportation planning processes attempt to ensure that comprehensive goals bear on decisions and that levels of government relating to land use and transportation development coordinate their actions. The 2-hearing process and development of environmental impact statements, for example, are designed to reflect socioeconomic and other considerations in decisions.

Techniques for Analysis and Evaluation

Budget Analysis

An analysis of the changing financial burdens on those responsible for different portions of the transportation system may reveal critical problems. This is particularly true for transit services, for which a projection of operating costs and revenues may indicate the need to modify the current responsibilities and, perhaps, state and local participation in supporting transit services.

Studies Similar to the National Transportation Planning Study

A summation of all metropolitan and state plans and programs and their comparison with anticipated revenues and funds prepared for the 1972 national study resulted in recommendations for changes in policies, program specifications, and responsibilities. These studies will be updated biennially.

Environmental Action Plans

The environmental action plans developed by states in response to the directive of the FHWA consist of 2 parts: an analysis of existing procedures for federally aided capital project development and a proposal for changes to better account for socioeconomic and environmental factors in transportation policy, plan, program, and project decisions. Although limited in some states to the highway mode, they offer a valuable inventory and assessment of the variety of procedures for participation and approval in decision-making and should aid states in improving current procedures for all modes.

Who Should Do Policy Planning?

The workshop agreed that there should be a focal point at the transportation department level or above to ensure that responsibilities and procedures for decision-making are being considered. For example, if the state policy is not to participate in capital or operating assistance or in the operation of urban transit, that policy should be established by a conscious decision rather than by default.

The workshop did not agree as to whether a policy group should be part of the commissioner-secretary's office or combined with the planning function in a transportation department. If there is no transportation department the policy group should be in the governor's office or in an executive office state planning group.

Proposals for policy changes should come as well from system planning. In carrying out their job, system planners will frequently perceive policies that need adoption

or modification. They should alert the policy group and participate in whatever analyses will support policy recommendations. Good systems planning is needed to contribute to better policy planning.

Skills and Background Needed

The following professional skills are needed:

1. Political scientist-public administrator to propose and evaluate new governmental procedures and responsibilities;
2. Budget analyst-program planner to estimate department capabilities, such as financial and staff, for undertaking new responsibilities;
3. Economist to project costs, revenues, and funding implications;
4. Lawyer to analyze and develop institutional structures;
5. Business manager to analyze the operations and capabilities of public and private agencies for providing proposed transportation services and facilities; and
6. Transportation planner to discern and identify transportation problems that are appropriate to organizational or procedural correction (rather than to correction by system or project decisions) and to help identify, analyze, and evaluate options.

INTEGRATION OF PRIVATELY PROVIDED TRANSPORTATION INTO TRANSPORTATION SYSTEM

Elements of the state transportation system provided by private enterprise—truck, bus, rail, air, water, and pipeline facilities and services—must be integrated into the total system, and the optimum service must be provided at minimum cost to the users by the appropriate private transportation industry. Bankruptcy of railroads and abandonment of branch lines and inadequate or excessively costly truck, water, bus, and air service require consideration of state regulatory and, possibly, taxing, charging, and investment policy actions. The state can also be an important advocate in national policy decisions in these areas.

Techniques for Analysis and Evaluation

Economic Analyses

Studies of (a) cost and value of privately provided transportation services for different modes, commodities, distances, and other differentiating characteristics, (b) the number of suppliers and users, and (c) the extent of competition will aid in assessing current and modified regulatory policy. The need for more data on private shipments was noted, as were the difficulties of securing such data from private companies.

Quality of Service

Studies of the areas of service and of the schedules, routes, equipment, and performance of carriers can help identify problems and suggest needed policy changes.

Secondary Economic Factors

Privately supplied freight transportation is a prerequisite to economic vitality. The effect of current service and the impact of transportation improvement on commerce, industry, recreation, resource development, and other economic activities in states and

regions should be analyzed and estimated. Opinion surveys are one source of information from the economic sector.

Who Should Do Policy Planning?

The workshop agreed that there needs to be a focal group at the level of the transportation department or at a higher executive level (e.g., in the governor's office) to consider the public-private relation. There was no great enthusiasm for an ad hoc committee of agency heads, even though the state public service commission (or other regulatory body) and the motor vehicle department will have to be involved along with the transportation department in most cases.

The workshop felt strongly that the private operator should be involved in the policy decision-making process and should be able to relate to a policy group (in or out of the transportation department) for regulatory or tax issues. Private operators should also be able to relate to the systems or project planner for many concerns such as rail consolidations or abandonments and terminals. Private operators should be compensated for costs of participation, e.g., supplying shipping data that public agencies may require for general planning purposes.

Skills and Background Needed

The following professional skills are needed:

1. Economist to analyze shippers and markets, competition and industry makeup, any costs and charges;
2. Lawyer to analyze, develop, and help implement strategies for regulatory change;
3. Financial analyst to (a) analyze carrier operations, costs, and reports, (b) assist in developing public financial assistance programs for support of needed but uneconomic service, and (c) analyze tax and revenue relations;
4. Regional planner to estimate regional accessibility needs and economic development impacts of service and cost changes; and
5. Transportation planner to (a) help obtain data on freight and passenger movement, (b) identify regulatory, charging, and investment options and help analyze them, and (c) estimate public facility cost implications (in many cases, the transportation planner should be a modal specialist with private carrier experience).

CHANGES IN TRANSPORTATION DEMAND

A state can influence the demand as well as the supply of transportation. In addition to providing or aiding in the provision of transportation facilities and services, a state transportation department should identify, investigate, and recommend policies that affect the magnitude and nature of transportation demand. Some of these have long-range and some have short-range effects. They include controls and incentives on land development, regulations and incentives for greater car pooling, staggered work hours, and rationing of fuel. These and other policies can reduce the amount of transportation demand or make it easier for that demand to be served by public transit, for example.

Techniques for Analysis and Evaluation

Simulation Models

The transportation models used in metropolitan transportation planning can be used to

assess the performance consequences of assumed changes in demand. They should be aimed at predicting the effects of policy alternatives on transportation demand and the characteristics that affect modal use and performance.

Studies of Accessibility and Land Use Impacts

Transportation facilities and services can be used as positive influences in shaping metropolitan and state patterns. Studies of highway and transit impacts on economic development, land use, and tax base are sources for predicting these impacts.

Economic Studies of Impacts on Community Segments

Policies affecting land use and travel generation have secondary economic impacts of major consequence to specific segments of the community. Tracing these effects on social groups (the handicapped, low-income, and minority groups), geographic areas (the central business district and suburbs), and economic sectors (industrial, agricultural, and retail activities) is essential.

Who Should Do Policy Planning?

The workshop agreed that a partnership is required among transportation department planners, local and regional comprehensive planners, and the business community. Within the transportation department, the systems planner will have a key role. Many needed policy changes will emanate from system planning studies, and cooperating agencies, rather than the transportation department, will be responsible for their implementation. The cooperation of the state planning agency will be essential if state policy and legislation changes are required.

Skills and Background Needed

The following professional skills are needed:

1. Land use planner to analyze and predict the impact of policy changes, particularly accessibility, on land use densities and patterns;
2. Economist to evaluate and trace economic consequences of policy changes;
3. Lawyer to develop legislative procedures, especially where the limits of allowable public control are being tested; and
4. Transportation planner to analyze, predict, and demonstrate the transportation benefits, costs, and other impacts of changes in community structure and operation.

FUNDS AND CHARGES FOR TRANSPORTATION

A state will want to recommend the investment magnitude and allocation to modal types and geographic areas. The allocations are used as a guide to systems planning. (This would be an iterative process. The allocation might be based on the results of prior system planning, although not necessarily identical to it.) The state will be concerned, therefore, with the mechanisms and policies that determine these amounts.

Funding arrangements include trust funds, pass-through funds, earmarked funds, and cost-to-complete funds (such as the Interstate program). They all have system programming implications that might prevent the implementation of the best kind of transportation solutions.

Present methods for charging for transportation by government, authorities, and private companies often have disadvantages that are not really clear or obvious. They

may be inequitable to different users, may encourage overuse of one mode and congestion, or may preclude a mode from receiving adequate funds for continued operation and investment. A state may want to propose altering taxing, pricing, and charging policies to achieve some of its broader goals.

Techniques for Analysis and Evaluation

Needs Studies

Studies of needs might be used, but should be modified and expanded to include varying levels of physical and service standards and evaluation of the resulting levels of cost, performance, and benefit.

Cost and Revenue Allocation Studies

Studies of costs and revenues attributable to different geographic areas and classes of users, especially in the private sector, are a prerequisite to examining the equity of charging.

Alternative Budgets

Developing and evaluating plans and especially programs under alternative budget assumptions will be helpful.

Price Elasticity Studies

The relation between transportation demand and use and level and means of charging is needed. This is not usually reflected in current metropolitan transportation simulation models.

Modeling

Gross models of the type developed for the 1972 National Transportation Study relate performance measures to investment levels (rather than to particular system configurations) and should be of value.

Who Should Do Policy Planning?

A partnership of the transportation department with other agencies that charge or distribute transportation funds (such as the motor vehicle and tax departments, federal and local governments, and private enterprise) is essential.

Within the transportation department, a policy group must coordinate financial policy changes with the legislative and other executive participants in policy-making. The policy group must be able to consider multimodal budgets and policies. The systems planner will be working closely with cooperating agencies who have the responsibility for charging for and funding nonstate facilities and services.

Skills and Background Needed

The following professional skills are needed:

1. Budget-financial analyst to analyze and estimate the incidence of costs and the revenues of various options (bonding and state and federal aid) for various levels of government;
2. Economist to analyze and estimate the incidence of costs and charges to private suppliers and, ultimately, transportation users as well as governments;
3. Program planner to assess impacts of funding procedural changes on current programs; and
4. Transportation planner to analyze and predict the impacts of changes in funding level and type on transportation needs and to interpret and convey information to the public and to policy-makers.

RECOMMENDATIONS

1. Policy planning is a function too important to leave to happenstance. It should be the basic function of a special group closely identified with or reporting to the highest agency in state government having primary responsibility for state transportation planning. It could be attached to the governor's office, the commissioner-secretary's office, or the state planning office in states without transportation departments.
2. The policy planning staff should be equipped to perform the variety of analyses applicable to the different types of transportation policy issues. If such analysis ability exists elsewhere in the agency, it need not be duplicated in the policy staff, but that staff must be knowledgeable enough to call on and use other staff services. The types of analysis most frequently required of or to be used by a policy planning staff are studies of needs, standards, performance measures, and relation to benefits; studies similar to the National Transportation Study; budget and financial analyses, e.g., carrier ledger sheets and operating statements; economic analysis, e.g., costs and values of service, benefit-cost competition, and price elasticity of demand; quality of service relating to performance, schedules, and customer satisfaction; simulation modeling; impact incidence on users, nonusers, providers, and governments; studies analyzing and leading to resource allocation to total transportation and to subareas such as regions, modes, or governments; and surveys of opinions and habits.
3. The types of skills and backgrounds most applicable to the range of transportation policy issues include the following:

<u>Skill</u>	<u>Policy Issue</u>			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Political scientist and public administrator	X			
Budget analyst and program planner	X			X
Economist	X	X	X	
Transportation planner, analyst, and engineer	X	X	X	X
Lawyer	X	X	X	
Financial analyst		X		X
Regional (land use) planner		X	X	

4. The roles of the transportation planning professional in policy planning include problem identifier (discern whether solutions are organizational-procedural or systems-project); options identifier; coordinator, negotiator, and catalyst, particularly in relation to private-government relations; innovator and initiator of new policies; and interpreter of information and analytical results for the public and policy-makers.
5. The transportation department's legislative program should flow from the policy group. That group should coordinate the development of and monitor the progress of legislative programs to ensure consistency with policy. Further, it should monitor and analyze federal legislation for impacts on state policy.
6. Policy groups should serve as a principal resource for public information personnel relating to policy matters. Public information people prepare speeches and responses for the commissioner-secretary, and frequently, if they are not sure or clear

on what department policy is, they may inadvertently create it. They should use the policy group as a resource and allow the policy group to review all important statements.

Resource Paper

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Plans are often subject to 2 contradictory types of criticism. On the one hand, if they are made without the constraints of financial resources, the limitations of legislated powers and policies, and a realistic assessment of political factors, they can be criticized as being impractical and idealistic. On the other hand, if plans are developed within these constraints, they are often criticized as being too narrow and limited in scope and for attacking symptoms and not the underlying institutional-political basis of problems.

One way out of this Scylla and Charybdis of planning is to realize that different types of plans may be appropriate for different clients. A department that sees its role as implementing given policies and programs will undoubtedly require the latter, more practical approach. A department that intends to alter the framework of transportation activities and is willing to consider changes to institutions and budgets and programs will want the former, less constrained approach. In such a case, many of the plan's facility recommendations may never be carried out, but the plan may still be significant for the policy changes it ultimately achieves.

Increasingly as state transportation departments are formed, they raise questions of the institutional-political-financial framework of transportation, and they must deal with policy changes that affect this framework. Although planning for single purpose, narrowly determined problems may be simpler and safer, it will be increasingly unacceptable to states and other governments. Policy decision-making, therefore, must be a significant element in a statewide transportation planning process.

Numerous transportation policy issues need to be addressed by states and state agencies. The object of this paper is to define responsibilities and to discuss how states might meet the issues. Throughout, it must be recognized that the prevailing national and state situation is one of a multiplicity of separate, uncoordinated, and often conflicting modal policies. Whether the amalgamation of separate state policies, any more than a collection of separate federal policies, will represent a viable national policy remains to be seen.

TRANSPORTATION POLICY: THE PRODUCT AND THE PROCESS

To begin with, the Oxford English Dictionary defines policy as "a course of action adopted and pursued by a government, party, ruler, statesman, etc. Any course of action adopted as advantageous or expedient." Primarily, then, policy is a political matter, something made in a political arena by decision-makers who negotiate and act in the knowledge of what they want and of what is politically feasible. The words "adopted and pursued" suggest an element of forethought that goes beyond usual political considerations. Some prior analysis or planning, dealing with the issue involved, may condition or provide a basis for the policy decision to be made. In any event, policy is something concrete, a course of action no matter how hazy may be the words surrounding it. This course of action most frequently is set out in legislation and in budgets.

This suggests that the legislative and budgetary processes are a ferment of policy-making. Although this is true, that ferment is at a low simmer much of the time. Major shifts in policy are rare; policy changes are usually slow and sporadic. All too