

APPENDIX 1

Major Investment Studies — A Value-Added Approach

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With the final rule-making on Major Investment Studies out since October 28, 1993, we are already in the early throngs and gnashing of the re-authorization of the Intermodal Surface Transportation Efficiency Act (ISTEA). Major Investment Studies (MISs) in transportation, as outlined in ISTEA and defined in federal rule-making, are being scrutinized and, in some arenas, criticized. The purpose of this paper is to present Major Investment Studies as being good business and sound planning because they provide a value-added approach to planning and capital investment decision making on transportation improvements.

With the demand for transportation capital and operating funds far outstripping supply and tough tradeoffs being made among needed transportation corridor improvements, Major Investment Studies offer a sound and rational approach to this process. Contrary to popular belief, MISs do not make communities consider inappropriate transportation investment alternatives for their areas. For example, the guidelines and the National Environmental Policy Act do not force a community to study a rail option if it is not an appropriate solution to a defined transportation problem. However, MISs do ask that a broad array of publics, agencies, and transportation providers come to the table to discuss what constitutes reasonable transportation alternatives for solving a transportation problem.

The MIS process is a paradigm shift in the thinking about corridor and subarea transportation solutions. The process involves a clear statement of need(s) which may lead to a differentiation among the travel markets to be served. Thus, alternatives may well look very different from previous highway or transit project alternatives. Consideration of express lanes for interstate trucks and buses, of through-travelers versus commuters and local users, and of rail transit commuters versus single-occupant vehicles can all affect the way we define solutions to the needs, evaluate alternatives, and make investment decisions. This new

way is the root of some criticism levied at MIS as a process.

During the Transportation Research Board's conference on Major Investment Studies in Transportation on February 25 to 28, 1996 in San Francisco, many eloquent speakers provided keen insight into the issue of MISs. William W. Millar, general manager of the Port Authority of Allegheny County (Pennsylvania), observed that Americans tend to evaluate and examine actions too soon. Exit polls, Monday morning quarterbacking, etc., are a few examples. State DOTs have taken over 30 years to structure excellent organizations and institutional relationships to develop the interstate highway system, among the world's best. ISTEA has called for a new or at least modified mission for DOTs, regional planning agencies (Metropolitan Planning Organizations), and local transportation providers. This new mission is but a few years old and such paradigm shifts can be painful; however, implementing the shift does not mean MISs are not working or worthwhile.

Agencies undertaking management of or participation in an MIS should be commended. The early collaboration and broad participation of a number of participants can be initially awkward and communication tenuous. Because the staffs involved usually have regularized relationships and must often forge new ones, it takes time for trust and a give-and-take business style to develop. Numerous agencies at the state and local levels have already recognized (some grudgingly) the goodwill early dialog can generate in the community.

The MIS process can be confusing. This is especially true with the Option 1 MIS where the environmental and engineering data requirements are designed to allow an early evaluation among alternatives as well as a winnowing down of the set of options. Agency staff has grown accustomed to a level of specificity when developing or reviewing environmental documents that may be unnecessary for an MIS. This misunderstanding and set of expectations can cause extra and unneeded expense in undertaking an MIS. But it does not need to do this. Changes in the way of doing business take time and education among all participants.

At the university and continuing education levels, engineering curricula still focus on "doing" projects, not on deliberating problems and on managing decision

making. Little, if any, emphasis on communication and public involvement is given. Moreover, the level of information engineering graduates expect to have rarely reflects the planning level of detail required by MISs. Consideration should be given to revamping traditional engineering programs to reflect these realities. The Interstate Era has been over for awhile now.

The early integration into a corridor study of various publics, a myriad of transportation providers, and economic development-type participants does raise germane issues early. But how many highway and transportation projects have encountered serious delays or been stopped because not all of the players were at the table when reasonable alternative solutions could have been cost-effectively considered? We can all name key debacles in most states across the country.

Other criticisms of the process are that MISs are expensive and take too long to do. Depending on the scope and complexity of the transportation problems being addressed, the MIS can or cannot be expensive and can or cannot take time. If the problem is clearly defined and the key agency and community agrees to the set of options under consideration, the MIS may require no more than adding a few agency and community meetings to the transportation planning process. However, in those areas where several solutions appear promising, or where the financing for improvements may not yet be in place, consensus-building and winnowing may take more time. Even so, many believe the total time for project development—from planning through construction—is actually shortened since the process fleshes out conflicts early and considers financing options before substantial amounts of time and resources are expended on a non-doable project. The verdict is still out on this and it merits research as the MIS experience grows.

Compliance with the National Environmental Policy Act (NEPA) takes time—more or less of it depending upon the likely significance of potential impacts of an action being considered. The MIS process can streamline things by integrating the decision making and planning with the NEPA process. In fact, both the MIS Option 1 and Option 2 (where an environmental assessment or environmental impact statement is performed) are a part of the NEPA process. The MIS is tied to getting the “design concept and scope” into the regional transportation plan once there has been appropriate involvement on the part of the public and agencies along with consideration of likely environmental impacts. If the MIS is an Option 2, the time expended is due to the NEPA process, not the MIS per se. These points should be kept in mind because they underscore the need for additional education.

In summary, MISs add value to the traditional undertaking of corridor transportation studies. By focusing early attention on problem definition and by airing a wide variety of transportation, community, and environmental concerns early in the planning process, the Major Investment Study offers a rational and sound approach to transportation decision making at the local and regional level. With time, the effectiveness of the MIS process will be more accurately determined. Two and one-half years is not enough time to evaluate the impact of MISs on the project development process; however, by getting a wide variety of publics involved early in the process, by defining issues early and broadly, and by tailoring alternative transportation solutions to local and regional problems, MISs do offer a value-added approach to decision making.