

## LUNCHEON AND KEYNOTE SPEAKER, FRANCIS B. FRANCOIS, EXECUTIVE DIRECTOR, AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

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This is a very important conference and is occurring at a very important time. All of our state DOTs have long been involved in statewide transportation planning for highways. Many have been involved for a long period of time in other transportation modes as well. Of course, now we are working with the ISTEA and the new planning requirements placed upon us. Another reason this conference is important quite obviously is that we are on the verge of reauthorization activity in the Congress. So, there is no better time to talk about a lot of the critical planning issues that we all face.

I want to talk about three topics today. First, where is AASHTO with respect to planning, and with respect to multimodal transportation systems? What do we think about them? The second topic addresses some of the challenges we face as we look ahead on the issue of statewide transportation planning. Finally, I want to talk a little bit about reauthorization.

We express our policies within AASHTO in several ways. At the top level is our national transportation policy; below this is a series of transportation policy statements; and below this is a series of policy resolutions. For any of these to be effective, they must be adopted by at least two-thirds of the member departments of AASHTO. So at least in theory, everything that is in any of those documents has strong support from the bulk of AASHTO. Our national transportation policy provides us a vision of what the nation's transportation system ought to be. Let me read a paragraph.

*"The national transportation system should involve all forms of transportation in an interconnected manner, including existing highway and transportation facilities and transportation systems of the future. The objective should be to provide mobility, while striving to reduce congestion, energy consumption, and pollution. This objective will promote economic development, improve the nation's position in international commerce, preserve and protect our investment in our transportation system, and enhance quality of life, including social and environmental aspects."*

In this same document our planning statement talks about intermodal transportation systems.

*"The national transportation system must provide adequate options, easy access and transferability among all*

*modes for the most timely and cost effective movement of goods and people."*

Then we talk about program flexibility.

*"The transportation programs must reflect the varying needs of the population in providing flexible transportation services. Programs should emphasize a shared responsibility of all providers to prioritize based on needs, rather than on allocations....Programs should be structured to allow the maximum degree of flexibility and funding and program implementation possible to provide transportation services, as well as address conductivity, urban mobility, suburban congestion, rural access, movement of significant commodities, international trade, environmental protection, safety, and economic development and growth....Decisions should be made by the public and private enterprises responsible for transportation facilities and services, with public involvement."*

So this is really the bottom line. What does it all say? It says three things really. Our goal should be a comprehensive transportation system; a transportation system that is intermodal, and a transportation policy and planning process that provides flexibility in how we go about doing it. All of this then is what transportation planning is meant to help bring about.

Some recent policy resolutions put AASHTO behind the deployment of basic ITS services for consumers of passenger and freight transportation by the year 2001. There are three goals. First, the private sector will lead in the development and the bringing to market of reliable and affordable intelligent transportation systems. Second, the public sector will lead in the deployment of core ITS systems to meet essential public needs, forming innovative partnerships with the private sector where appropriate. Third, the ITS strategies developed and deployed will be integrated, interoperable, and intermodal. It seems clear to me that planning in each state should take into account ITS activities.

With respect to reauthorization, AASHTO has been very busy with a reauthorization steering committee. We have developed several documents and adopted them by the board, by that same two-thirds vote. These documents will guide our activities as we move forward into the reauthorization period. The Standing Committee on Planning of AASHTO was deeply involved in developing

the statements that were ultimately considered and adopted by the board. Some of these statements have not received widespread endorsement; some of them have, and that is to be expected. What we have done is to try to outline where the state transportation agencies are on a number of issues. Now, if we were writing the legislation, that would be the end of the matter. Of course, there are a few other players.

Here is a brief summary of AASHTO recommendations on reauthorization dealing with several topics: financing, planning, environment, research, and the federal, state, and local roles. In the planning arena there are four basic points. One is to redirect federal regulations away from sanctions and mandates. We believe they are counterproductive, that they do not serve the function for which they were intended, that quite frequently they do not go after the people that are really responsible for the actions involved, and that generally we could function better without them. We want to simplify and reduce the number of federal regulations and clearances needed for transportation program delivery. We believe in planning. We want to see it done, but we want to see it done effectively, and with as little unnecessary red tape as possible. Why go through three or four different processes, when one will do basically the same thing?

We want to eliminate funding for demonstration projects and reduce set-asides and set allocations. Basically, what this says is we ought to let the planning process control the situation. That is what ISTEA called for. ISTEA, at least in theory, was to move decisionmaking out of Washington, back to the states and local level, with decisions being made in a revitalized, enlarged planning process. We agree. Let's make that planning process work, and let's make it responsible for all decisions and stop unnecessary set-asides. Now there may be set-asides needed in some areas, perhaps safety, for example, but they ought to be carefully thought through as to what we are trying to do and why we need it at the national level.

Another point found in our resolutions is to streamline federal regulations and reduce overlap. As scarce as funding is, we need to be certain that every dollar we use on planning is properly used, and that we are not doing something many times.

We have recently adopted a document called, "The Bottom Line Report II," which builds on a similarly entitled report we did years ago. There are four key recommendations in this report that affect everyone at this conference. The first one is that transportation programs should be fully funded, and that the 4.3 cent per gallon federal fuel tax now going to the general fund should be placed in the highway trust fund. We know from our analysis that 4.3 cents would just barely allow us to

maintain conditions. It will not give us a lot of new money. However, it will allow us to do some things that need to be done in both highways and transit. It was a way to express ourselves as to the added funding needed. This would not be a new tax, because it was already being collected. What we now want to do is to move it over to where it belongs in the first place.

A second key recommendation is that state and local governments should be given more flexibility in determining how, when, and where transportation resources are spent to maximize the benefit in mobility, safety, and the environment. Again, we are back to the planning process, which is key to making all of these things happen.

The third point retains many of the current provisions of ISTEA such as state and local cooperation, intermodal planning, and public participation. Some groups have interpreted AASHTO's positions as taking us back to the 1950s. This is not true. We support most of what was achieved by ISTEA. We would like to see some adjustments made in various places, but we think overall it has greatly improved how our nation's transportation system functions.

The fourth point focusses on some of these adjustments—burdensome and unnecessary provisions imposed by ISTEA and in earlier laws should be eliminated or reduced. Of course we have already had action on some of these things. One of my favorites is the crumb rubber addition to asphalt. This was repealed in December. The mandatory nature of the six management programs was also repealed. Many guessed that the management systems would just float away. This has not happened. The states developed many of these management systems and used them before ISTEA passed. In a recent survey by the Standing Committee on Planning many states report that the management systems are still in place and are being used, but they are not the data heavy devices that the regulations called for. This is not what Congress meant in the first place; so we are now back to a more rational approach.

Another document that is very important for AASHTO is the one that defines the federal, state, and local role. To quote again,

*"State and local government entities are the owners of the public transportation system, and are directly responsible for its maintenance and operation. The federal government owns a relatively small portion of the system, and provides only part of its funding....Second, under direction of the governor and the state legislature, states are responsible for providing leadership in developing transportation policy, which brings together all the partners....Third, federal legislation and regulation set broad goals and do not dictate*

*specific solutions which unnecessarily restrict state and local decisionmaking....Fourth, federal transportation policy should be based on a partnership arrangement which fosters involvement and cooperation between federal, state, tribal, and local officials."*

AASHTO believes in a federal role. AASHTO has defined what we think that federal role needs to address. AASHTO says there is a role for planning, but we are concerned about some of the processes that have been put in place. We think they can be fixed—must be fixed—to make it work well. The bottom line is that ISTEA works. It needs a few adjustments here and there. It has in it many things that AASHTO fought very hard for, e.g., additional funding, the national highway system, and funding flexibility.

Planning generally has worked well. We are stronger than we were before ISTEA within states, and at the regional level. So, we now look ahead to where the next bill goes. What are some of the challenges that we face? I will suggest the following.

The first challenge is establishing a truly comprehensive transportation planning process in every state. Yes, we have come a long way, but we are not there. By this I mean each state has to devise its own comprehensive planning process that recognizes the geography, politics, traditions, and needs of that particular state. We cannot sit in Washington and write a process that will work in every state. We have to create it. It also needs to be a process that recognizes at least for now, and perhaps into the indefinite future in some states, the highway system will dominate that process, because it is the basic transportation network.

We also need to recognize that over time our comprehensive planning process must address all passenger and freight movements in all modes. This to me is the goal we ought to be working for. It will not be easy to achieve. Some states are closer to it than others. Until we accomplish that, we are not doing what we say we are trying to do—comprehensive transportation planning. Now make no mistake, each state government influences transportation in all modes, in one way or the other, and in several different places. Decisions on what we build and don't build are made by states, cities, counties, transit agencies, and toll authorities operating under state law. These decisions are being made right now. Some state transportation agencies are involved with all of these; some are not. Ultimately, we should be involved with them all.

Of course the private sector makes many transportation decisions also within the state, particularly on how the facilities are used. We need to have linkages with such groups. There are operations decisions made in every state every day—police and fire departments, and

emergency response people are all making decisions on how our transportation system functions. There are regulations that we impose on the vehicles, drivers, registration, weight, and a whole lot of other things. States also make decisions on the level of funding and the uses of that funding. These are made through the office of the governor and/or the state legislature, city governments, county governments, and elected officials at various levels. We have land use decisions being made that affect transportation and are affected by transportation. Mostly they are made by local governments, but they are again being done under state law.

To my knowledge, there is no current state department of transportation that deals with all of these, although many deal with a lot of them. Our challenge is to work for the reorganization of each state to comprehensively address all of these transportation issues in the context of the other programs that the state works with, particularly economic development programs. It is a big challenge. One of the ways that we can is by reorganizing the state DOTs themselves, and some of this is happening. The Iowa and Maine DOTs are two I would pick out as examples of new ideas. Maine is probably the most interesting. It is now organized around passenger movements and freight movements, regardless of the mode. That calls for a different kind of thinking than we have seen elsewhere. Whether it will work or not, time will tell, but at least they are trying.

Meeting this challenge also means a lot of liaison work. Many of you do this; those that don't, should. The responsibility for this probably lies at the top of the agency, but I suggest that the agencies themselves need to organize themselves in such a way that there is continuity and expertise in these activities. Liaison needs to occur with your state legislative committees—the budget committee, the ways and means committee, the capital program committee, et cetera. Liaison needs to occur with your local elected officials, particularly through their organizations. I believe it is the responsibility of every DOT and the planning groups within DOTs to be working on an ongoing basis with your state municipal league, not just on state issues, but on national issues. That's how you get understanding at the national level. County associations are pretty independent, but the counties are important. And of course your MPOs and MPO organizations. On the business side, we need close connections to the chambers of commerce, various business organizations within your state, and with the political structure, Congress, et cetera.

In all of this we must learn to think in terms of election cycles. If you are elected to a four year term, you are really open to new ideas during your first year. The second year will focus on getting these initiatives started.

When you get to the third year, well, we'll think about it. In the fourth year, "not in my election year." If you don't think in terms like this, it is very hard to make things happen.

A second challenge is developing effective, inclusive planning processes within each state. Again, we have come a long way. Under ISTEA, I think we have seen a lot happen. We have citizen involvement and hearings, but we need to do more than that. We need to look at the roles that the different players play, and get more involved. By this I mean working with your cities and your counties. Call it partnering if you will. Partnering implies giving something back. You may not get that. There is a big role out there simply working with them in developing transportation into a more effective system. The states that have been using the new public hearing process have found them very useful. A lot of good things have been happening out there. We need to keep working.

A third challenge is to develop and implement training and new tools. We need to know what data we need. We need to get it collected somehow, and learn how to analyze it. Then we have to train people to use it. What people? A lot of people. Ourselves first of all, quite obviously, but also people in cities, counties, and MPOs and any other organizations that want to know how the processes work. We do a pretty good job in our research. FHWA is doing a lot of research right now on new modeling approaches. Let's make sure that we put into place a process that will spread that knowledge and train people on how to use these things. Without training, they are not much good. Who develops the training that we need? Well, this has been a traditional role for the Federal Highway Administration in the past. The National Highway Institute and the Federal Transit Administration are both deeply into training programs for planning. No less than 31 courses are now being offered and another 14 that are being planned. What are the hurdles in actually utilizing these courses? One of the hurdles is cost. FTA does it for free basically; why doesn't FHWA? Primarily because of the federal law; maybe this is something we need to change in ISTEA. We don't need prescriptions. What we need are descriptions of what works.

The next challenge is how to better link transportation planning and land use. This is one we are going to be wrestling with I think in the next bill. I'm not quite certain what Congress can do, but they are going to talk about it quite a bit. Notice I asked, "how do we better link," because all of you are already affected by, and are reacting to, land uses. That is why you build facilities. Many of your public/private partnerships are centered around making a land use possible.

To a very great extent our DOTs have been responsive and reactive mechanisms. The problem is created, and then you have to solve it. We need to turn this around. This will not be easy, but some states are trying. We need new ideas, new concepts, and it means that the state is going to have to take a heavy hand ultimately against local governments—and I use the word "against." I sat on the County Council of Prince Georges County as a zoning official for about 14 years. In that period of time I helped to decide a little over 5,000 zoning cases, so believe me, I know what this issue is all about. I know how those decisions are frequently made. For the most part your elected officials are doing the best job they can. They are trying to respond to conditions as they see them. We must educate them as to what the impacts of some of these decisions are, and what the alternatives are.

In my career in public office I helped to write an adequate public facilities ordinance with respect to water and sewer, and it worked very effectively. I also wrote one with respect to adequate transportation. The first judge that saw it, threw it out. What could another 20 cars do to that highway? We didn't sell it right, obviously. We must find ways to link these things and to get the transportation system better tied to development itself.

Another challenge will be to move more toward a systems approach. Going back to AASHTO's policy statements, we are talking about a multimodal system. The state planning process needs to think ultimately in terms of a system, one that addresses all modes and everything that happens in those modes. We are moving that way. Some of the corridor studies we are doing are quite good, but I would remind you they are corridor studies. We are looking at them one at a time. We are not looking at the whole system in most metropolitan areas. Nor are we looking at what the relative possibilities of transit and highways might be in that corridor, particularly if you change land use patterns. What would happen if you use access controls? How do you maximize the use of those public dollars and private dollars that are being used for transportation unless you look at the system and all the concepts involved?

This is obviously not something easy to do. We need more skills and more tools to make it all work, but I think we need to move in that direction, because that's the way people think. You ask a man who runs a business, how are you going to ship these goods to me? He doesn't really care. He wants them moved from A to B by a certain date.

Many passengers are the same way. People in the real world tend to think in terms of the system, and what it will do for them. We tend to think in terms of highways and transit, yet we call ourselves departments of transportation. We say we are doing comprehensive

transportation planning, yet in many cases it is just modal planning stapled together into a systems plan.

Perhaps the greatest challenge in the years ahead is gaining, or perhaps regaining, public support, or perhaps regaining support, for transportation planning. A lot of people don't really believe we know what we are doing. Unfortunately, we have helped feed that over the years with extended needs studies that run ahead 20 years, and which identify funding requirements that will never happen. We feed the skepticism by saying we can deliver a product three years from now when we know darn well the funding isn't there, and we can't get it done. Credibility is the key word. We must work in such a way that the planning process becomes more credible. As it becomes more credible, it will get more support, and it will guide more activities. Part of the problem here is linking programming and planning. How many decisions are based on planning? Now I know this is not your problem. This is a political problem. It's a state and local governmental structure problem. It is an elected official problem. It is a citizen problem. But if we work with all these groups and build a process that works better and that is credible, they will start to follow it, and then we should get closer to where we want to be ultimately.

Our goal is to satisfy what our customers want and need. To some extent we must educate them as to what it is they are trying to do, and what they really need. Again, that is part of the planning process. Does all this education work? Will it really change things? In my county and running south from it we have what is known as the US 301 corridor. Over the years there were many civic groups and civic leaders who were against any effort to make changes in this corridor. The Maryland DOT put all of them on a committee and educated them. They received education on access controls, how they can control land use, and preservation of corridors. All of the major groups agreed to a plan that a year ago I would not have believed was possible. This plan will guide transportation development in an extremely important corridor of Maryland. Educating the public was the key.

So, yes planning is valuable. Yes, it takes time. Yes, it requires negotiating skills. Yes, you are becoming a facilitator. Probably any planning curriculum that doesn't spend a lot of time on facilitator skills is totally out of date at this point. If you don't have them in your agency, you had better get them. The same is true, I might add, of our civil engineers who have to think beyond civil engineering. We must learn to facilitate decisions with people, and to work with people more than we have in the past.

The final challenge quite obviously is to secure adequate funding. If we don't have adequate funding, it really doesn't make much difference what kind of a

planning process we have. It won't be credible, because we will not have the resources to carry it out. Funding is a tricky issue. We know that there are limitations at least for the next several years on the level of federal investment in transportation. We don't know how serious this will be ultimately, but this Congress has said that over the next seven years we will drop from a level of about \$38 billion in federal investment in transportation to \$32 billion. This includes everything—aviation, highways, transit, rail, et cetera. If we do that, the supply curve is going down, while transportation demand is going up. This means you can't do it all with federal assistance. This implies more state assistance, more local government fundraising, public/private ventures of various kinds; innovative financing, and public/public ventures. Learning how to do those things will require a new set of skills. How do you integrate those into your planning process in such a way as to be equitable to all the people that you represent? Do you let all of your decisions be based on whether the private sector is putting money into the pot, in which case those portions of your state that are less wealthy will not get what they should probably get otherwise? These are value judgments that you are going to have to learn to make, and they are tough ones.

We keep talking about full funding of ISTEA. Full funding wouldn't solve our problems either. We need far more money than ISTEA makes available to really do a credible job in our transportation system.

Now let me just talk a little bit about reauthorization. It is possible that the House will have a draft bill by October or November, but the chances of a bill being passed this calendar year are essentially nil. This means then that 1997 is the year of reauthorization, or perhaps I should say the year when reauthorization activities will begin. Will they get done by September 30? Probably not. It would be the first time if they do. So it will probably be early 1998 before we have reauthorization legislation. What all this really means is that the cast of characters may well change. It is the next Congress, and possibly the next president that will write this bill. If the White House that we now have is still around, then the activities that the USDOT is now heavily engaged in could be very important. The hearings that the USDOT is holding will gather a lot of ideas which will result in a bill being presented probably with the budget in January. This is when it will be officially seen. What will happen at that point? Well, there are a lot of ideas; everything from full turnback of the program to a partial turnback, to money only for the Interstates, to let's keep ISTEA the way it is, et cetera. The bottom line is how much money? who gets it? and what do we use it for? That's what the bill is really all about. How much? If they stick with the balanced budget, it will be less. If it is

less, then the kind of formula adjustments that a lot of states want will be very difficult to do, because you will have to take the money away from somebody else and give it to the folks over here. If you have more money there will be many new ways of dividing it.

The bottom line that we need to keep in mind is that these are federal dollars, not state dollars, not local

government dollars. None of us have a right to them. Congress will decide which portion goes to the states, which portion to local governments, and which portion will be controlled by MPOs. State planning, in such an environment, will be even more important than it ever was.