

SESSION #2: ISTEА: EXPERIENCES AND REAUTHORIZATION ISSUES

This session explored some of the issues that have evolved from the ISTEА planning requirements and identified key issues that should be addressed in ISTEА reauthorization.

GLORIA J. JEFF, FEDERAL HIGHWAY ADMINISTRATION

Let me begin by saying that from a planning perspective, ISTEА has been successful. There have been many concerns raised about aspects of the ISTEА legislation that deal with the planning process, but let me say unequivocally that it has been a success. Our focus has been changed from simply solving highway or transit problems to identifying *transportation solutions*. We are looking for opportunities to utilize not just modal comparisons, but a package of modal interactions against another package of modal interactions in order to come up with a solution that solves the problem of how we move people and goods in a particular corridor. Clearly, we have not perfected this approach; we still lack some of the tools that we need. One of the principal objectives of ISTEА was to get us to stop thinking modally and to start thinking intermodally, and that has been achieved.

We have more players involved in the decision making process. We have not just increased the number of folks, but we have begun to involve the folks who have some real impacts in the decision making process. This includes not only John Q Citizen (who we all keep searching for and never quite find), but also the freight community and local decision makers at the elective level including city mayors. There is a wonderful story about when the new mayor of St. Louis found out that he was chair of the metropolitan planning organization, his reaction as mayor was he didn't have time to be bothered with such a thing. He had a conversation with a member of the USDOT who explained to him what the duties and responsibilities of a metropolitan planning organization were and the mayor realized that it really was about making a difference, not only in his city but in his region; that it was critical to become involved. He has been an active participant ever since.

Rural communities now find themselves becoming more interested and involved in transportation planning. States can no longer give perfunctory attention to rural issues, but must actively engage rural interests in the decision making process about what projects will be included in their statewide transportation improvement program, as well as what kinds of activities they would

like to see in the long range transportation plan. Real partnerships have been formed as a result of moving and expanding the number of players involved in the decision making process, yet another success of ISTEА.

I think one of the unsung successes of ISTEА is that it has expanded the 3-C planning process established in the 1960s to explicitly involve the statewide processes so that we are now looking at an expansion of a fundamental planning tenet in transportation to the statewide level. And I believe the requirement for fiscally constrained plans has greatly improved the quality of plans.

Have we accomplished all that we needed to or wanted to under ISTEА? Absolutely not. We must begin to look at the opportunities for improvement based upon the strong foundation provided by ISTEА. The FHWA does not have a fixed position on reauthorization at this time, but instead has developed five fundamental principles which will guide our policy direction especially as they relate to requirements for statewide planning.

The first principle relates to **economic prosperity**. Transportation in and of itself is not an end; it is a means of accomplishing social, economic and environmental objectives. In the area of economic activity, transportation is critical to get a skilled work force to a particular work location. And for all of the dialogue about tax structures and business friendliness, the bottom line is if they don't have a way to get their raw materials and the work force to their employment site and the finished products out, it doesn't matter how tax friendly you are to the business community. They are not going to locate or remain there. Transportation is essential to the economic viability of any state.

Improving **quality of life** is our second principle. When one looks at transportation from a statewide perspective, this perspective must not only include metropolitan areas, but also issues relating to rural areas as well. Transportation goes directly to the economic well-being of folks as well as their ability to take advantage of not just work-related activities, but also non-work related activities in defining their quality of life. When we look at reauthorization, this needs to be an essential element.

Safety, our third principle, is by far one of the most important areas in transportation. We think that statewide plans and project-level decisions should be viewed from how safe, efficient and responsive to the customer needs the proposed action can be.

Our fourth principle has to do with **enhancing the environment**. The reality is that for many states, the quality of their environment drives their economic well

being and prosperity. For states where tourism is in the top three most significant industries, the ability to protect that environment provides future opportunities to attract the tourists and tourist dollars. Enhancing the environment is not just the right thing to do, it is the economically correct thing to do.

The final principle relates to the whole issue of ensuring **national security**. There is little question that an efficient transportation system is a critical element of our national defense. The Gulf War certainly illustrated this point.

Where do we go with respect to reauthorization? I think that some of the things we need to do in building on the successes of ISTEA are the following. We need to refine the definition of the role of government, of various publics, and of private industry. The roles for private industry include not only providing dollars, but also participating in planning by making data available. We need information on where goods movement is going to occur and what corridors are going to define the flow of goods activity. These are things that we can get from the private sector as they talk about their logistics decision making trees; as they talk about where they see their overseas partners beginning to move. And we can talk about the improvements that we make in particular transportation facilities to encourage it. The reality is that as time of travel and final destination become more critical, the availability of efficient transportation facilities for those engaged in international competition becomes critical.

One of the areas where we as a profession need to improve is maintaining a balance between professional judgment (for which we are all trained and equipped to do) and dealing with users' needs, wants, and desires. While a professional judgment may identify a series of activities that must occur to gain public support and the needed resources to make that happen, we are also going to have to deal with what those customers' needs, wants and desires are. These customer desires are articulated in economic, cultural and environmental terms. Transportation professionals must balance a focus on asphalt, concrete, steel, vehicles and facilities with a focus on economic, social and environmental objectives. Transportation is about jobs, jobs, jobs and it is about improving the quality of life; it is about communities becoming what they hope to be in the future; it is ultimately about people, their lives, their land, and what's important to them. If we don't recognize that there is a need for balance as we look to reauthorization and beyond, we will find ourselves unsupported because we were not satisfying our customers' needs, wants and desires. To respond to customers we will focus on new technologies, new functions, and new uses of our problem-

solving skills. How do we utilize advanced technologies to bring about transportation system objectives and on transportation networks? How do we utilize intelligent transportation systems, automatic vehicle locating systems, improved operations at ports and rail crossings to better protect the public? How do we solve problems with people and for people?

How do we make better use of the investments that we have? One thing our profession has never lacked is the ability to do is to spend money. No one in the past 30 to 40 years can say that we have lacked the ability to spend the highway monies in ways that the public could see. What we now must do is convince the public that these past investments and the investments we wish to make in the future represent sound economic decisions; we must have outcomes that people desire.

What I would like to do now is to pose a series of questions that I think are critical in trying to define statewide transportation planning for reauthorization and beyond. What is the balance in planning responsibilities between the states and the metropolitan planning organizations? Within AASHTO's own Standing Committee on Planning, we have done surveys that have indicated that one of the major weaknesses within the metropolitan planning organization was the skill level of the staffs to take on the new responsibilities that have been thrust upon it by ISTEA. What is the role of the state in helping the MPOs to resolve this deficiency? Is there a need to further refine, expand, or more sharply focus the relationship between the states and the metropolitan planning organizations? What is the relationship between the states and the large metropolitan areas within them? Is there a role for the sharing of responsibilities in performing metropolitan planning tasks?

What needs to be done to better define the issues associated with rural areas? How do the states define themselves in the context of the national transportation network and their contribution to the efficient and effective operation of that national network? Is this role limited to the national highway system? Or does it go beyond that? Is it only limited to the Interstate? What are the roles of statewide planning in answering these questions?

What is the role of the states in defining the U.S. global competitive position? What is the role of statewide planning in helping to make decisions that are nationally or internationally significant? How do you take a project like a mini-Alameda corridor and find a justification for why you should make that investment at the national level, rather than leave it up to the locals to decide that in the context of their local decision making process, it is important to them as opposed to some other local investment? What if the project has real impact on

national competitive position in the domestic or international marketplace, but no significant or tangible local benefits?. What is the role of statewide planning or the federal government in helping define this? Is statewide planning where funding sources decide what happens? Is it a combination of the color of money plus priorities, or is it based on doing the right thing from a planning perspective.

There are a host of other issues and questions having to do with safety, the environment, and the role of statewide planning in defining priorities for projects that support national security, and for that matter, in defining the role for the state with respect to supporting its economic base. The challenge to statewide transportation planners in this dialogue is to think outside our traditional boxes, even the boxes that have been expanded under ISTEA. We should think of the challenges that will face our communities over the next several decades and put in place a planning process that will prepare us for these challenges.

RICHARD MUDGE, APOGEE RESEARCH CORPORATION

ISTEA is a very interesting and complicated piece of legislation, especially if you link it to the Clean Air Act Amendments. I think one of the truly complicating factors with ISTEA is that the mandates and the regulations that came from the Clean Air Act Amendments and the regulations that came from ISTEA both burst on the scene at the same time. This perhaps is the reason why many feel the planning requirements in ISTEA are too burdensome. We really have only been doing ISTEA planning for four years. A great deal of learning has occurred. If we were involved in a rational process, we probably would spend a little more time developing experience, making some minor changes here and there, and not necessarily making radical changes to the ISTEA requirements. Unfortunately, ISTEA will be reauthorized next year. And it is very hard to tell what will come out of that.

It might be useful to step back a little and think about what should influence the ultimate policy on transportation planning. A certain amount of rationality should be desired in the planning process. There is interest in actually solving transportation problems. Having said this, let me move on because the current political mood in the country might overwhelm this seeming desire for rational planning. Part of it also reflects broader societal forces. Let me talk about three such forces that I think will affect maybe not the details of ISTEA, but will affect

how the next ISTEA is implemented and how the state DOTs go about doing their own statewide planning.

The first, of course, is money. ISTEA promised a lot of things. It provided some financial flexibility by opening up transportation funds to areas that had not been eligible for funding in the past. In a sense, it promised a lot of constituents that the massive highway trust fund would be available for all these wonderful things. Of course, in reality, it did not add any real money. If you adjust for inflation, and if you adjust for all the other things that are promised in ISTEA, no new money was provided. Where we are right now is in some ways even worse. If you watch what is going on in the Presidential debates, we are in kind of a "balance the budget" death dance right now. Over the last year or so, both political parties have been over-promising how much they can cut. Transportation is obviously in the middle of this. I think one of the most amazing things is to watch the debate over how fast we can cut the 4.3 cents. It is sort of a bizarre effort to do whatever you can to cut, rather than think whether there is a rational way to spend resources that will return even greater benefits.

Some of this happens at the state level as well. Traditionally, if you look at the last 10 or 20 years, the federal government has not been able to raise motor fuel taxes for some time, but the states have. They are closer to the problem. State DOTs in general have been able to raise their motor fuel taxes. However, over the last couple of years, we have seen the smallest number of state motor fuel tax increases within the last 10 or 20 years. What this says is that the traditional ways in which we fund transportation appear to be drying up. I think this is a profound change. It may come back again in ten years. I hope so because if you look back over the last 20 years, we have barely been able to maintain the value of our capital asset stock.

The second major trend is that transportation is not alone. Again, if you look at the federal budget, everybody talks about non-defense discretionary spending which is basically all the programs that have been built up over the last 20 or 30 years. Transportation is part of that, as is housing; there is a whole slew of these programs. These are the things that are easy to cut. It is tough to cut Social Security or other entitlements. Many governmental programs have been drying up, so despite the fact that transportation funding has been flat, we have reached a fairly ironic stage where transportation may be the only public tool that is out there that can actually shape local economies. It is one of the few things we can control and spend in one place versus another, make different types of investments that will shape how we live, where we work, stimulate the economy, and improve our daily lives. It is one of the few positive tools left that government actually

has. I find it also interesting that this unique role for transportation is coming at a time when our level of technical understanding of how transportation shapes the economy is greatly improving. We may not be better looking, but we are getting smarter.

The third major change I see is a new attitude of government toward mandates, toward appropriate governments. An example of this is the NHS bill where the management systems were made optional. The FHWA has focussed on innovative financing over the past several years where the philosophy has been promoting the utmost flexibility in using non-traditional sources of funding. This is a very different attitude from what has occurred in decades past. It is something we should try to take advantage of. It encourages experimentation, and it allows making some mistakes. It tries to look at the spirit and not the letter of the law, something which occurs not just at the federal level, but at all levels of government. There is a new interest in looking at how we get things done.

Let me present very quickly what I think are the major implications of these trends for statewide transportation planning. First, I believe it is important to integrate planning with finance. We live in a world where it is going to be tough to raise money. Current transportation planning is supposed to be fiscally constrained which means it is more about what we can't do rather than what we can do. We have seen a lot more interest in everything from public-private partnerships to innovative finance, state infrastructure banks, soft loans, credit enhancements, a whole bunch of things, terms and tools that really were not available and not tried before. Many of these have implications for what we plan and how we plan. They are interesting in that they can focus money on specific projects. Most of these financial tools are interesting because they are linked to good economics. You have to have projects that generate benefits in order to use any of these innovative finance tools. They are particularly valuable for intermodal and ITS types of projects. I think it is crucial to begin to integrate these techniques into the planning process. It is one of the few places we as transportation professionals can change the level of spending without having to go hat in hand to one of our political leaders.

Second, I think it is important to be a little more aggressive about our transportation planning. We have gone through an era when the Interstate was built, when we were more concerned about the cost of transportation. I think now we have enough knowledge to be concerned about the benefits that transportation provides, the role that transportation can provide in shaping the economy and the nature of our society. What this means is having long range plans that are more value-oriented; that

emphasize benefits and value added. These, in turn, will lead to ways in which we can finance transportation. In a sense it means making the state plans more of a political document. So, in a sense there is some risk there as well, but the bottom line is that it requires a different emphasis.

Third, we should always be taking advantage of the changing attitude in government to be more flexible and helpful. If there are regulations you are unhappy with, change them. What has happened in innovative finance is astounding. It is time to apply the openness, the changing regulations, and the changing rules to more than things that have dollar signs attached to them.

Finally, and this comes back to the general political concern and skepticism about public programs, the reason it is hard to get tax increases through and the main reason for federal program cuts, is the issue of accountability. Transportation has an advantage over almost all other public programs in the sense that it is easier to see the benefits. You can actually see transportation improvements. You can track the benefits. You can track how things have improved. At the same time, we have not been aggressive enough in terms of linking performance measures or accountability measures with our transportation plans. If we can attach a scorecard, then it helps to become a political document. Again, it is something that can help generate public as well as political support.

NANCY WILLIS, SURFACE TRANSPORTATION POLICY PROJECT (STPP)

Let me state STPP's overall position on reauthorization. We feel that ISTEA provides an excellent framework to start the reauthorization process. The reauthorization process should stick to the core values embodied in ISTEA. Many of these values have been mentioned by earlier speakers, although there are several others that I would like to emphasize. First and foremost is the partnership concept. This entails federal, state, local, metropolitan, and rural areas. This focus needs to be continued and strengthened. No level of government can meet the goals of ISTEA individually. The partnership depends on interdependency between each level; each has a role to play.

Another key principle within ISTEA is funding flexibility which provides opportunities to develop the most appropriate transportation system in the nation. We strongly believe in a strong role for local governments and a strong role for the metropolitan planning organizations in determining the priorities for transportation investment in their jurisdiction. Such determination should not already be made by artificial program category definitions.

We need to have a system for tracing the federal \$24 billion that we spend each year on transportation, and we support increasing the accuracy of information on the system condition's performance and management of our transportation system. Toward that end, STPP will be producing a document which highlights where the money goes. Everybody has been talking about the impact of funding. STPP's response is to track where the money went. In addition, we believe it is important to highlight ISTEA success stories which show how funding flexibility can produce innovative and effective results. We believe that such success stories will be useful to Congress, the administration, and citizen activists around the country who are anxious to find out how other people in similar situations have solved problems that are similar to the ones they are facing.

Our next principle is based on the concept that good projects come from good planning. Good planning links investments to goals such as accessibility, economic growth, the environment and land use. STPP is strongly committed to the notion that transportation investments must be used to increase and promote social equity. STPP would really like your help in keeping these principles at the forefront during the next reauthorization of ISTEA.

In 1991, ISTEA included some major advantages and advances in national transportation policy. We all have to recognize that change is not easy for any human being or institution. It takes time for states and individuals to adjust to new ways of doing things. STPP strongly feels that the transportation field needs time to absorb the procedures that are instituted by ISTEA. We do not think it is practical, nor does it make sense to start making major changes right now. With regard to the ISTEA-mandated planning factors, ISTEA's major failure was that it created more processes up front and new regulations were layered on top of the old regulations. All this focus on process is really not what STPP had in mind when we were crafting our positions, but this is the situation we have and are living with. We should try to improve it.

We strongly support the Enhancement Program. The Enhancement Program allows citizen groups to be creative and suggest relatively small projects that enhance the transportation experience. A major reason why STPP supports this Program so strongly is that it brought a lot of supporters to the transportation planning process. For a relatively small amount of funding, we gained a lot of allies from neighborhood groups, historic preservationists, bicyclists, pedestrians, shop owners, and small businesses, etc. Of course, we could debate the amount of the set aside for Enhancements and how to improve the Program, however, I believe that many transportation supporters would agree that the overall concept is one that is worthwhile.

ISTEA simplified the federal funding programs, but it certainly did not simplify the system of design review or project approval. Nor did it simplify the regulatory process that the states and MPOs had to go through to get projects going. I know we have at least two goals for reauthorization in addition to not throwing out the baby with the bath water. We want to move the federal government away from reviewing projects and setting standards. We want to move towards a policy oversight without sacrificing the environment. We also want to facilitate state and local governments and MPOs working together to meet local needs and to respect the relationship with national goals. STPP really wants to communicate and to work with you all on finding out where your problems have been in the statewide planning process and to work with you on information sharing.

NEIL J. PEDERSEN, MARYLAND STATE HIGHWAY ADMINISTRATION

Given that the previous speaker discussed the enhancements programs, I can't resist the opportunity to offer my own perspective which I am sure many of my colleagues will disagree with. I think the enhancement program is one of the best things that happened in ISTEA. It finally gave us the opportunity as transportation professionals, who often are viewed as wearing the black hat, of being able to give back something just as we expect corporate America to give back something to society; And importantly, giving back things that really are very important and valued by the community. I for one hope that it will continue to be part of reauthorization. I know this is not a commonly shared feeling on the part of many of my colleagues from the state DOTs.

I have been asked to provide a perspective on statewide transportation planning that reflects local government attitudes. Of course, I am a state DOT official. But in thinking about my talk, Maryland is smaller than several of the largest MPOs in the country, either in terms of population or geographic area. Maryland has two metropolitan areas whose population constitutes 80 percent of the state and 90 percent of our population lives within our MPO areas. So, perhaps I am able to provide somewhat of a "local" perspective. Maryland has a multimodal planning and programming process that has now been in place for 20 years and that is founded on a partnership with local governments. We certainly feel we have been practicing many of the principles of ISTEA for the better part of those 20 years, particularly the partnership aspects.

Let me start by saying that I believe, for the most part, the spirit and intent of the fundamental policy direction that ISTEA tried to achieve in the area of statewide planning was correct and we should not throw the baby out with the bath water. That having been said, however, the execution has probably left something to be desired. ISTEA's intent that statewide multimodal planning occur in a truly participative manner, that information systems be developed that would help informed decision making take place, that a level playing field be established with flexibility to shift financial resources to where needs are greatest, that capital programming and planning take into account financial realities and that statewide transportation planning take place in a broader context that recognizes many factors other than just transportation-based decision criteria were all fundamental principles that should serve as the cornerstone for NEXTEA's approach to statewide planning. However, if we start from the premise that we should build upon ISTEA's intent and learn from the lessons of trying to implement ISTEA, there are a number of changes that I would like to see reflected in NEXTEA's approach to statewide planning requirements. And unlike the previous speakers who probably were talking at a broader, loftier principle level, many of the issues that I will deal with perhaps come from a practitioner and more practical level.

The first is the role of the federal government. I do feel that there is a legitimate role for the federal government in establishing broad policies regarding issues of national interest, and we certainly do have a number of issues of national interest. However, the federal government should then leave it to state and local governments to implement these policies in a way that works best within each state. As I previously cited, there were a number of important policy changes that ISTEA mandated, the intent of which I personally agree with. Unfortunately, both ISTEA and particularly its subsequent regulations went far beyond saying that good, informed, participative multimodal planning must take place and instead tried to prescribe uniform requirements regarding how planning should take place throughout the nation. I have to acknowledge that the job the regulators had was not an easy one because ISTEA was pretty prescriptive in some areas in telling the regulators what they had to do in terms of telling us how we had to do our job.

An example of this, from my perspective, was the ill-fated management system requirements. I think most people would agree, and most state DOT planning directors would agree, management systems that provide sound data used in decision making are a good idea. In fact, AASHTO's Standing Committee on Planning

recently did a survey of state DOTs that revealed that despite making the management systems optional, a vast majority of the states are proceeding forward with implementation of most of the management systems called for in ISTEA. However, rather than having to develop these systems in accordance with prescriptive federal requirements, the states now can be developing these systems to really meet their business needs. In Maryland, we are taking a different approach on several of the systems than we would have under the interim regulations that came out regarding management systems.

So I would argue that the first and foremost reauthorization issue related to statewide planning is the degree to which the federal government will prescribe how statewide planning will take place.

I believe that ISTEA recognizes that transportation is a service that enables other broader and more important goals in peoples' lives to be achieved. As has been said before, transportation is not an end in and of itself. Although transportation decisions should be made in the context of broader societal goals, we should also be careful not to assign transportation primary responsibility for trying to solve some of these other broad based problems, but instead recognize that transportation is just one part of trying to solve those broader problems. One of these broader issues that we have been dealing with in several of our major investment studies recently, is the issue of suburbanization and urban sprawl and its relationship to freeway construction. Clearly, freeways have played a role in such urbanization patterns, but there are many other societal factors that are taking place that really are causing a number of the shifts that are occurring. So, I would say that ISTEA should require multimodal statewide planning to take place within a broader societal context, but needed transportation improvements cannot be held hostage because other societal sectors are not achieving broader goals desired by Congress.

One of the most important results of ISTEA was the forging of many new partnerships, and the inclusion of many in the transportation planning process who had not previously been involved. From my personal perspective, I think it is one of the most important and significant changes that has happened as a result of ISTEA. The basic tenet of involvement by all interested parties in transportation planning must be an essential element in ISTEA's planning requirements as far as I am concerned. However, sometimes grassroots organizations are disconnected with where their elected officials are coming from. We have certainly had that experience within Maryland. In many of the discussions regarding partnerships that I have been engaged in, rarely is the role of state legislators mentioned. And for those of us who deal with statewide multimodal planning on a daily basis,

state legislators are our primary policy and decision makers. I think we need to remember in the discussions that are taking place regarding NEXTEA the key role of state legislators in transportation policy making.

ISTEA and the subsequent regulations to a certain extent gave preeminence to MPO planning and programming in metropolitan areas. The interpretation by some has been that state plans and programs within metropolitan areas must conform to the metropolitan plans and programs. I would take exception to that view. I really believe that statewide and metropolitan planning must operate in partnership and that they really need to have co-equal status in metropolitan areas. I suspect that sometimes we all, MPOs in particular, do take a parochial view of issues. But we have experienced in Maryland that there needs to be a forging of a partnership between the planners who must by the very nature of their jobs take a broader statewide view, and the planners within the local MPO areas who take a more focused local view. Decisions must be based on a partnership between a statewide planning perspective and a local planning perspective.

One of the most important changes resulting from ISTEA was the requirement to develop financially constrained plans and programs. No longer could transportation improvement programs be compiled as wish lists. Instead, real decisions regarding priorities and funding sources for transportation had to be made. I come from a state where we have been required for 20 years to be developing multimodal transportation capital programs in which revenues and the projects that are listed within our capital program are in balance. I also come from a state where we have a number of local jurisdictions who have six year capital programs that, to put it bluntly, are works of fiction. However, I think there needs to be a little more flexibility. We need to have the ability to have some limited over-programming. Project schedules, believe it or not, are not always met, and sometimes we do have project slippage. There ought to be a recognition of this as being a reality and that we should have projects ready without having to go through lengthy TIP amendment processes. We should be able to move projects up easily or substitute projects that are ready as a result of project slippage. Contingent program approval should be permitted based on revenues that may be achieved during the program period but are uncertain at the time of program approval.

Now, let me get to a topic where I really have major substantive problems with ISTEA and that is the financial constraint requirements of 20-year long range plans at the metropolitan level. I would go so far as to say that I think that the primary effect of the financial constraint requirements on long range plans has been to prevent visionary planning from occurring. Our experience in

Maryland has been that in order for us to be able to raise revenues or identify funding sources for major capital projects, we must do planning and project development without necessarily knowing where the funding is going to come. Such efforts are critically important for us to build the support that is necessary when we ultimately get the funding. This becomes even more the case as we explore innovative and alternative sources of funding for our projects. I am going to use a case example that is near and dear to my heart. Some of you have heard about the US 301 major investment study we have undertaken. We just recently had the vote of our task force that has been guiding that study and one of the conclusions they reached was that from a long range planning perspective, we need to be planning for a light rail line that would extend out from the Washington area into the corridor. They recognize that it is not something that is going to be built in the near term, and that we don't have the funding availability for it now, but we need to be doing enough planning to be able to identify an alignment for corridor preservation. We need to be doing land use planning that is concentrating development around future potential light rail stations so that we can be building up the ridership that can economically support light rail in the future. But the financial constraint requirements for the long range plan for the Washington metropolitan area will not show that light rail line as part of the long range plan for the Washington area.

I feel so strongly about this point that I think I would go so far as to say that if ISTEA's financial constraint requirements had been in place for the last 30 years, most of the nation's new rail starts could not have occurred. Or if they did, they would have occurred as a result of working around the planning requirements through the political process rather than their occurring as a result of good, long range planning. I guess the bottom line from my perspective is financial constraint is important; we need to be considering it; but it ought to be one factor among many that are being considered as opposed to an absolute requirement in terms of development of long range plans.

While still on the topic of capital programming, when the requirement came out for development of statewide transportation improvement programs, the reaction of many state DOTs was to prepare separate documents to meet federal requirements that dotted all the "i's" and crossed all the "t's." Another thing I would like to see in the next ISTEA is more flexibility in terms of recognizing that if capital programs developed on a statewide level basically meet the spirit and intent, but not necessarily all of the specific requirements of the federal government, this is sufficient in terms of meeting the requirements for a capital program.

There are two issues that are somewhat interrelated, system preservation and management systems. The United States has invested hundreds of billions of dollars in a transportation infrastructure that is second to none in the world. The transportation infrastructure is one of the keys to our economic competitiveness. We need to recognize that our transportation infrastructure is aging and requires major investment and system preservation. The next ISTEA must recognize system preservation as being the number one priority, and that sufficient funding should be provided for system preservation before money is made available for system expansion. I would include in system preservation the broader issue of management of our system as well, including things like ITS. So, I would like to see in the next ISTEA a stated policy that the first call on funding will be for preserving and managing the existing system and then translate that into appropriate requirements and incentives.

This is where I see the management systems coming in place. The concept of management systems and the idea of decisions being made based upon information is one that I wholeheartedly support. What I don't support, and what AASHTO has certainly come out very clearly saying and what the NHS legislation recognized, is that we should not be told to develop these management systems. Instead, management systems need to be developed that meet the business needs of our organizations. There ought to be a requirement from my perspective that management systems be developed that provide sufficient information that can be used to determine what our system preservation needs are so that we know we are adequately funding system preservation.

Another area I feel pretty strongly about is the area of corridor preservation. In my opinion, USDOT rules are stacked against effective corridor preservation. We need to have an acknowledgment within the next ISTEA and the flexibility to do corridor preservation without having to go all that way through the NEPA process. We need to have, as the result of identification of corridors through the long range planning process and perhaps through the major investment study investment process, the ability to do effective corridor preservation like the US 301 light rail line that I used as an example.

The final area I would like to talk about is the area of performance management requirements. Quite frankly, I think some of us still don't really know where USDOT is coming from in this area, but we have a lot of fears. I don't think that many of us would argue with the principle that we ought to be measuring what we are doing in terms of achieving our policy goals. But there are very different policy priorities and goals across the country among different states within the country. What is important in the plains of North Dakota is quite

different than what is important in downtown Baltimore. And trying to develop performance measures that are going to be applied and then have states compared to these performance measures will cause a real negative reaction. What we ought to be doing instead is to embrace the concept of performance management and performance measurement, but recognizing that there are going to be very different policy goals that we are trying to measure at a state level and let performance measures be established at the state and metropolitan level.

DISCUSSION ON FINANCIALLY CONSTRAINED TRANSPORTATION PLANS

Gloria Jeff: In terms of the need for financial constraint, I think such a constraint has been helpful because we have gotten away from the fiction of promises that could not be kept. It was easier to say "yes" than take the hard position of setting priorities. One goes back to the pre-ISTEA era and the initial intention of transportation improvement programs. TIPs were intended to establish priorities among projects. We all know that at least beyond the annual element in many cases the listed projects were what we hoped to do, but didn't necessarily reflect what was going to be eventually in the next annual element. What has happened under ISTEA is that programming should reflect resource limitations so that we can get what we can deliver with respect to the transportation system and determine priorities. In looking at the long range planning component, the intent was to take a look at what could be accomplished. It helped assess what and how revenues would be available. ISTEA caused us to evaluate what it was we were proposing, and if it was a high priority and if existing financial resources did not exist, what to do. It was not our option to conclude that the plan couldn't be implemented. Instead, ISTEA gave us an opportunity in the event there is no money to find solutions which delivered the outcomes desired.

State DOT Representative: I don't have any problem with anything you have said and quite frankly I wouldn't bother with the issue of the financial constraints. I understood the linkage with the Clean Air Act. But I am also starting to see the effect that Neil is talking about that if the financial constraints are very dismal, you do affect your ability to raise money because you are unable to show what you are accomplishing. In addition, the environmental community comes in and through the process is successful at making these constraints very tight. So, it is difficult to have a plan that serves as a vision document, the positive statement of the future that allows the public to support our activities.

State DOT Representative: One of the biggest criticisms we have received in our planning is that we are totally unrealistic. We could not have carried out in our state a purely needs-based planning approach. We do needs-based planning and we list the needs. There is nothing in ISTEA that says you can't do that. But our long range plan has to be financially constrained with some type of realistic goal, not necessarily to available revenues because if we do that,

we would not have any vision at all. But there must be some type of target out there that allows us to say this is doable. We can use that as an incentive for additional revenue, but it doesn't turn people off because it is so far out of reach. So, I believe in financial constraints. I think ISTEA is fine the way it is. It doesn't prohibit us from doing what we have been doing.