

**2008 James L. Oberstar Forum on
Transportation Policy and Technology**

The Next Authorization: Transforming Transportation Policy?

A Summary Report



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June 2008

To the Reader,

This report summarizes the seventh James L. Oberstar Forum on Transportation Policy and Technology. Over two days, we addressed potential policy directions for the next authorization of the federal transportation act.

This forum's continued success is due to the many new and returning local, regional, and national transportation policymakers and professionals who, following the lead of Congressman Oberstar, shared their wisdom and experience in a lively and open exchange of ideas. As a result, they have cultivated a broad array of thoughtful, innovative ways to navigate the many challenges facing our transportation system.

We hope the information and ideas assembled in this report contribute to the development of meaningful and lasting advancements in transportation.

Robert Johns

Director, Center for Transportation Studies

About the Forum

The James L. Oberstar Forum, hosted by the University of Minnesota's Center for Transportation Studies, was created to examine and improve national transportation policy by facilitating an open exchange of ideas and experiences among state, national, and international leaders in transportation and academia. The forum is named in honor of Minnesota Congressman James L. Oberstar, a long-time leader in creating national transportation policy and establishing research and education programs in transportation technology.

Oberstar was first elected to Congress in November 1974, and he is now serving in his 17th term as the representative from Minnesota's 8th Congressional District. Congressman Oberstar is chairman of the House Transportation and Infrastructure Committee, and he is the former chairman of subcommittees on Investigations and Oversight, Aviation, and Economic Development. Congressman Oberstar is recognized worldwide as an expert in the field of transportation and has received numerous awards for his diligent work.

The Next Authorization: Transforming Transportation Policy?

Overview

As the sun sets on the current law defining the federal role for the nation's surface transportation systems, many are seeking to transform federal transportation policy rather than just reauthorize the legislation. SAFETEA-LU, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, expires next August. State and national transportation policymakers, professionals, and research leaders joined U.S. Rep. James L. Oberstar on April 6 and 7, 2008, to consider policy options for meeting the nation's transportation needs as a successor to SAFETEA-LU is crafted.



This was the seventh meeting of the transportation policy and technology forum named in honor of Oberstar, who became chairman of the House Transportation and Infrastructure Committee last year. The forum was again hosted by the Center for Transportation Studies (CTS) at the University of Minnesota.

Much of the discussion at the forum centered on the recent National Surface Transportation Policy and Revenue Study Commission report *Transportation for Tomorrow*, which recommends dramatic institutional reform and revamping of federal transportation programs and policy.

"We're at a serious crossroads," Oberstar said, stressing the urgency of addressing the nation's transportation problems. "Either we make sound decisions or we fall back."

Speakers at the public portion of the forum included U.S. Rep. Tim Walz, as well as a panel with National Commission vice chair Jack Schenendorf, commissioner Steve Heminger, and USDOT deputy assistant secretary for transportation policy David Horner. A second panel featured Pete Ruane, president and CEO of the American Road and Transportation Builders Association (ARTBA), John Horsley, executive director of the American Association of State Highway and Transportation Officials (AASHTO), and William W. Millar, president of the American Public Transportation Association (APTA).

"We're at a serious crossroads. Either we make sound decisions or we fall back."

—U.S. Rep. James L. Oberstar

Many other state and national leaders also attended. CTS director Robert Johns served as master of ceremonies.

The public portion of the forum followed a series of presentations and discussions for invited leaders, which began with an introductory report on national transportation policy options from Steve Lockwood of PB Consult. In addition, University of Minnesota researchers Larry Jacobs and Lee Munnich, both from the Humphrey Institute of Public Affairs, provided insight into two significant aspects of the national transportation policy debate.

At the public portion of the forum, which attracted more than 200, attendees also received an inside look at the National Commission report from a panel that included two of its commissioners. Another panel, representing a variety of national transportation associations, discussed the likelihood of policy transformation.

To close the forum, Oberstar reiterated National Commission support for continued federal involvement in transportation policy and funding. "We will set to the task of building a world-class transportation system that will move America forward, create jobs here at home, keep us at the forefront of the world economy, and build a greater future for America," he concluded.

This report summarizes the main events of the two-day forum. More information about this and previous Oberstar forums may be found online at www.cts.umn.edu/oberstarforum.

Nation's Surface Transportation Policy Sits at a Critical Crossroads

A perfect storm of conditions and events could lead to significant changes in the federal role for the nation's surface transportation systems as Congress prepares new legislation to replace SAFETEA-LU, which expires next year. PB Consult's Steve Lockwood said lawmakers have a choice: Either they must transform federal policy with completely new legislation or simply tinker with the legislation in its current form, which essentially would be a reauthorization.



Steve Lockwood

Lockwood, presenting highlights from the white paper he had prepared for the forum, reviewed policy approaches to the federal-aid surface transportation program. He referred extensively to the comprehensive *Transportation for Tomorrow* report, prepared by the National Surface Transportation Policy and Revenue Study Commission, as the largest-ever systematic review and analysis of the nation's transportation system. He also cited various position papers and other transportation studies, such as one by the U.S. Government Accountability Office (GAO).

The variety of issues, perspectives, and directions within available material, Lockwood observed, contributes to a policy conundrum. "There's a broad range of issues," he said, "and no clear consensus."

Lockwood identified five general categories into which the key policy issues fall: economic development and competitiveness; safety and security; environment, energy, and land use; personal mobility; and asset management and preservation. Cutting across these key issues, he added, is the daunting scale of future passenger and freight travel demand, which may well double over the next 20 to 30 years. At the same time, the major challenges of energy independence and global climate change—as well as the level and scope of federal involvement versus that of state and local authorities—also must be addressed.

Lockwood summarized the National Commission's recommendations: an overall streamlining of programs, mixing public and private interests, and consolidating the surface transportation program into 10 mode-neutral programs. "Mode neutral is an important word here," he explained, "because it implies the old structure of Federal Highway Administration, Federal Transit Administration,

and Federal Rail Administration really may not make sense when programs are focused on issues and problems and built around plans rather than modally oriented."

Moreover, the significant increase in transportation funding recommended by the National Commission will require new programs to be accountable for performance outcomes overseen by a special commission, Lockwood said. But considerable work remains ahead to develop "public consciousness of these issues and an interest on the part of public and policymakers to actually deal with them," Lockwood added, noting the inertia of legacy programs and how their outgrowths complicate the task.

Specifically, Lockwood discussed the need for public support of transportation given the funding challenges ahead. "We need to confirm the acceptability of tax increases as well as other kinds of finance with the public

"It's going to take a determination—a level of clarity and public support—to resolve this issue in a serious and positive way."

—Steve Lockwood

to support this kind of program if we're going to move it forward," he said. Such moves by elected officials will take "political courage," he pointed out.

Leveraging public funds with private investment and other financial innovation isn't popular, Lockwood continued, but will likely be necessary. Though funding sources will transition toward direct user fees in the long term, it won't happen within the next few years. "It's going to take a determination—a level of clarity and public support—to resolve this issue in a serious and positive way," he said.

In closing, Lockwood said the question remains "whether we are at a transformational moment, or whether we are just in a historical moment that is only going to allow tinkering around the edges."

Steve Lockwood's white paper, *National Transportation Policy Options: A Time for Choice*, is online at www.cts.umn.edu/oberstarforum.

U of M Researchers Explore Public Opinion, Financing Options

A panel of University of Minnesota researchers, moderated by CTS associate director Laurie McGinnis, provided insight into two significant aspects of the national transportation policy debate: public awareness of transportation and transportation finance.

First, Larry Jacobs, professor and director of the Center for the Study of Politics and Governance at the University's Humphrey Institute of Public Affairs, discussed the implications of the national political environment on transportation policy. He said the framing of transportation issues in public opinion polls and the media plays an important role in helping transform policy.

In reviewing a list of issues ranked by Minnesotans as the most pressing problems, Jacobs cited a January 2008 poll showing transportation tied in fifth place with immigration—after the economy and jobs, health care, taxes, and education. The August 2007 collapse of the I-35W bridge did little to raise the profile of transportation as a critical priority to Minnesotans. “Even with that extraordinary situation,” he said, “transportation is not at the top of the agenda.”

“Even with that extraordinary situation [the 35W bridge collapse], transportation is not at the top of the agenda.”

—Larry Jacobs

Though transportation affects many leading public concerns, especially the economy and jobs, Jacobs said the point isn't driven home to Minnesotans. The public debate over raising taxes, some in part to support transportation infrastructure, is unique to the United States. “In Europe, where it's less visible, the polarization, the kinds of fights we have in the United States, do not occur,” he said.

In discussion that followed, Jacobs reiterated the importance of presenting transportation issues in the proper context to the public. “You need to have a game plan,” he said, “and you need to have a high level of cohesion across sectors with some real bipartisanship.”

Lee Munnich, senior fellow at the Humphrey Institute and director of the State and Local Policy Program, gave an overview of transportation finance and congestion pricing initiatives in the United States and Europe. Ger-



Larry Jacobs



Lee Munnich

many, for example, imposes tolls on trucks in a fully automated system that reduces emissions while also shifting some freight to rail and providing a revenue stream.

Munnich also outlined several road-pricing programs implemented in the United States during the last decade that have helped cut congestion and, in some cases, have provided

transit funding. Furthermore, the Urban Partnership Agreement (UPA), a U.S. Department of Transportation program initiated last year, provides grant funding to reduce congestion in five major U.S. cities. Minneapolis-St. Paul received \$133 million through the program. The UPA intends to improve traffic flow in the area through tolling and congestion pricing, transit enhancements, telecommuting programs with major employers, and technology development. Munnich added that state legislative action was expected to allow a toll lane for carpoolers, single drivers, and buses to downtown Minneapolis along the shoulders of I-35W. (The legislation has since passed.)

Munnich said research proves user fees on trucks or passenger vehicles reduce congestion. He cited findings from the I-394 corridor's MnPASS project showing increased safety and significantly reduced congestion during peak hours along the dynamically priced high-occupancy toll lanes. Noting the MnPass I-394 project isn't currently bringing revenue to the state, Munnich said congestion management is a primary objective of these types of programs—though some look to privatization and tolling as a financing tool.

According to Munnich, there has been public support for congestion pricing, especially once programs have gotten underway. “London got more public support after implementation,” he said. “Because traffic was down, speeds were increased, and delays and congestion were down significantly with no big impacts on traffic outside the zone.”

Presentations by the University of Minnesota researchers discussed in this article are online at www.cts.umn.edu/oberstarforum.

Conversations Emphasize Opportunity for Comprehensive National Transportation Policy

Forum participants shared insight about the critical role transportation plays in the future of the United States during a facilitated discussion. CTS communications director Gina Baas framed the dialogue, asking participants to consider needs that demand a rethinking of federal transportation policy, barriers to transforming policy to meet those needs, and policy changes showing the most promise. CTS director Robert Johns moderated the session.

Many participants expressed a need for transportation policy to consider the global scale and competitiveness of the U.S. economy. In light of these interdependencies, Blue Earth County commissioner Colleen Landkamer advocated a strong policy at the federal level. “One of the things we have to think about is, how are we one United States?” she asked. “We need a strong federal role to ensure the system works.”

Many participants agreed transportation policy needs to be top down and far broader than current policy to incorporate safety, global warming, and other quality-of-life issues. Rick Krueger, from the Minnesota Transportation Alliance, added pollution, congestion, mobility, and changing technologies to the list of underfunded but pressing needs. “The bottom line,” he said, “is the system is broke ... at the federal level, the state level, and at the local level.”

Steve Elkins, member of the Bloomington, Minnesota, city council and vice chair of the National League of Cities transportation committee, took issue with “siloe” thinking, in which local government focuses on access while

“We need to set the vision of where the improvements will take us to get people motivated.”

—David Levinson



David Levinson



Susan Binder

“This is really an issue about the economic vitality of our country.”

—Susan Binder

federal officials focus on mobility. “We’re not taking advantage of potential synergies among the modes,” he said, noting planners and engineers need to better coordinate efforts.

Susan Binder, executive director of the National Surface Transportation Policy and Revenue Study Commission, echoed many participants by noting the need to better integrate planning and intergovernmental relations within the context of regional and community needs. “We must consider collectively what’s in the interest of the entire country,” she said.

Similarly, Mary Vogel, co-director of the University of Minnesota’s Center for Changing Landscapes, suggested that transportation policy be made in federal-state partnership, with an emphasis on job growth. “Transportation planners think in terms of systems,” she said, “and these planners can inform other areas.”

Many participants agreed that clearly explaining transportation issues could build public support for new policy. One way to reframe transportation-related messages, according to University of Minnesota civil engineering associate professor David Levinson, is to highlight the benefits. “The general public doesn’t have a vision in mind,” he said. “We need to set the vision of where the improvements will take us to get people motivated.”

A few participants called for dovetailing transportation with other top national issues to raise public consciousness. For instance, National Commission member Steve Heminger pointed out that oil is common to the top-

three national issues: the economy, Iraq, and terrorism. “Transportation,” he said, “is a means to other national objectives.”

Marcia Marcoux, member of the Rochester, Minnesota, city council, stressed the importance of linking transportation to quality of life at a very localized level to win public support for new taxes. “I don’t care if you are an elected official at the federal or state level, your constituents need to understand why there is a need,” she said. “If they have to pay more, they need to have a clear understanding of how it directly benefits them.”

James Hovland, mayor of Edina, Minnesota, emphasized the potential job growth of rebuilding the nation’s infrastructure, including levees, locks, and dams, to support a 21st century economy. “Why don’t we want to figure out a strategy to put people to work?” he proposed. “That’s something we can sell.”

Participants also viewed the enormous replacement costs of bridges and other infrastructure improvements a major barrier to transforming transportation policy. National Commission vice chair Jack Schenendorf urged caution with tolling and other financing options. Susan Binder added that the cost of not making improvements far exceeds the cost of making them.

During the discussion, some called for greater emphasis on public safety. Lee Munnich, director of the Center for Excellence in Rural Safety at the University of Minnesota’s Humphrey Institute, characterized health care costs as a component of safety. “Traffic accidents are really a health care issue,” he said, “and the number one cause of death for young people.”

Dan Murray, vice president of the American Transportation Research Institute, as well as Pete Ruane, president and CEO of the American Road and Transportation Builders Association (ARTBA), also focused on the need for better safety policy. “Safety is very neglected,” Ruane said, pointing to the lack of public outrage despite the seriousness of the problem. “We have a huge opportunity.”

A few participants reinterpreted many of the barriers to transforming policy as opportunities, picking up on earlier suggestions to reframe issues to raise the public



Colleen Landkamer and Rick Krueger

“The system is broke... at the federal level, the state level, and at the local level.”

—Rick Krueger

urgency of the transportation crisis. “When you focus more on framing over finance in the short term, you are advantaged,” said Joelle Schmitz, with CSX Transportation. “Transportation in America is in need of a big-idea PR campaign to connect these ideas to what is understood well by the average American.”

Marianne Fowler, of the Rails-to-Trails Conservancy, said policy dialogue needs to include non-motorized transportation (NMT). “We need to start thinking in terms of not vehicle-miles traveled but vehicle-miles avoided.” As an example, she cited Minneapolis, one of four U.S. communities in the NMT pilot program, where nearly \$13 million and 39,000 tons of carbon are saved by people choosing to walk and bike.

Participants said programs that are performance-based and focused on accountability are key to garnering support. “We think it’s the most promising policy direction,” Schenendorf said, “and one probably essential if we’re going to have the kind of transportation system we need in the future.”

“This is really an issue about the economic vitality of our country,” Binder added, underscoring the value of thinking in terms of whole trips, transportation corridors, and opportunity cost. “We’ve got lots of stories to tell.”

To wrap up the session, Minnesota state Sen. Scott Dibble referred to the many options offered by the National Commission report. “I’m looking for a dramatic reform in how we measure benefits,” he said, hoping for a truly mode-neutral method of reaching shared aspirations for transportation. “We have a real opportunity here.”



Max Donath

Oberstar Envisions Sweeping Transportation Policy Reform

Throughout the forum, U.S. Rep. James L. Oberstar stressed the urgency of transforming policy to meet the future needs of the nation amid today's transportation crises. To provide a context, he opened the public portion of the forum with a brief review of the four major transformational eras in U.S. transportation history, specially noting the last: the end of interstate building in 1991 and the dedicated effort to create a multi-modal surface transportation system. "Congress took pause to consider the future of transport," he said.

To explain his case for a renewed commitment to providing vision and leadership, Oberstar painted a picture of deteriorated air quality, compromised highway safety, slow-moving goods, and diminished quality of life. "Today we have a national economy closing in on \$15 trillion dollars, arguably because of our mobility in all of our surface transportation systems," he said. "While the U.S. transportation network remains the envy of the world, we are losing ground."

Oberstar further described the urgency of policy reform by detailing serious concerns about U.S. economic competitiveness, the mounting costs of congestion (more than \$78 billion in 2005 alone), rising construction costs, significant population growth, and increasing freight volume (70 percent over the next 12 years). In addition, he cited the National Commission's recommendation for an annual investment of \$225 billion to \$340 billion (from the



U.S. Rep. James L. Oberstar

combined resources of every government level and the private sector) over the next 50 years to upgrade all modes of surface transportation. "If nothing is done," he said, "our intermodal system will be beyond its elasticity, beyond its capacity to cope."

Earlier, during the invited-only portion of the forum, Oberstar stressed the gravity of the decisions that lie ahead. "We're on the precipice. We need to make sound decisions or we fall backwards. Either we make the right choice like the Minnesota legislature did to invest in the future [by raising the gas tax] or we stagnate in the national economy."

The National Commission—tasked with envisioning new systems and policy direction to support the economy through the next half-century—did its job, Oberstar said, by turning in a comprehensive report. In particular, the National Commission proposed fundamental changes such as consolidation of federal surface transportation programs (reducing categories from 108 to 10) and accountability based on performance standards. "So it's up to Congress and the next administration to prepare the growth pattern and lay the foundations for the next transformational moment in surface transportation," he told attendees in the public forum.

"The commission said, as I have, that transportation is at a crossroads, that significant and decisive action is needed, and that we need a national dialogue on how to move ahead."

"It's up to Congress and the next administration to prepare the growth pattern and lay the foundations for the next transformational moment in surface transportation."

—Rep. Oberstar





(From left) Robert Johns, Minnesota state Sen. Scott Dibble, James Hovland, Lee Munnich, Colleen Landkamer, Rep. Oberstar, Steve Elkins, and David Levinson.

Oberstar said that funding new transportation programs requires multiple sources, public and private. Replenishing the Highway Trust Fund, via increased user taxes, and alternative financing, such as tax credit bonds and public-private partnerships, are inevitable. In contrast, the minority view of the National Commission, led by Secretary of Transportation Mary Peters, supports heavy private funding.

“All financing options have to be considered. Privatization, tolling, rationing as the only solutions, however, as proposed by the current secretary of transportation, [are] dead wrong,” Oberstar said, noting the vote for strictly private sources of funding was the minority view of the National Commission. “There is no one-size-fits-all approach to the underpinnings of finance needed for our transportation future. We can’t be held hostage to some ideological view or position that locks us into an era or stage of time in our history or some ideological framework. We have to see what works, what will be effective in the marketplace, what will move us ahead.”

“The Commission said, as I have, that transportation is at a crossroads, that significant and decisive action is needed, and that we need a national dialogue on how to move ahead.”

—Rep. Oberstar

Oberstar clarified a point about the public perception of taxes: “Most people don’t understand where their general tax dollar goes but do know where their transportation tax dollar goes.” He proposed a nationwide public campaign in every media market to further boost awareness of transportation issues and a new policy to garner public support for the necessary tax and funding drives. “We have to put it in terms of talking about ‘your bridge’ and ‘your highway,’” he said. “It comes down to advocacy.”

Oberstar said the U.S. House Subcommittee on Highways and Transit will continue to conduct hearings throughout 2008 to prepare for

legislative action on transportation policy for the next administration. “We have to look at every option and every alternative,” he told the public forum. “And then we have to craft a new transportation policy for the future of America that will put us into the fifth transformational era of transportation in America next year.”

To close the forum, Oberstar reiterated National Commission support for continued federal involvement in transportation policy and funding. “We will set to the task of building a world-class transportation system that will move America forward, create jobs here at home, keep us at the forefront of the world economy, and build a greater future for America,” he concluded.

The complete text of U.S. Rep. James L. Oberstar’s speech from April 7, 2008, is online at www.cts.umn.edu/oberstarforum.

Walz Seeks Policy Based on Facts, Broad Vision

U.S. Rep. Tim Walz, member of the U.S. House Transportation and Infrastructure Committee, spoke about the need for federal transportation policy to meet state needs. As a new member of Congress, he said he follows in the tradition of articulating in Washington the importance of local transportation issues.

“There’s a long legacy here,” said Walz, who represents the First District in southeastern Minnesota. “It’s an attitude that emanates from Minnesota about what transportation policy should be, about what’s expected of our elected officials on delivering on certain services, specifically, transportation.”

Walz stressed the need for a broad vision and broad framework in transportation policy to effect change down to the local level. His congressional district, he said, is a microcosm of America. The district, which includes Rochester—one of Minnesota’s fastest growing cities—boasts a thriving, diverse economy. The district represents a balance of political party affiliations, and annual incomes mirror the national average.

The economic growth and health of the First District, Walz continued, hinges on improvements to rail and the locks and dams along the Mississippi River, as well as added air service. “The Commission’s report very clearly articulates the need to have the federal vision,” he said. “But with the local control and local input both on a state-wide or regional basis.”

One hallmark of the U.S. transportation framework, Walz pointed out, is centralized planning with the ability to be flexible down to the local level. He cited the example of seeking federal help for much needed improvements to the busy and dangerous state Highway 14 in his district in the face of delays by the Minnesota Department of Transportation. “I’ve seen what people can do at the local level,” Walz said, “and what bonding together can do for the broader vision.”

According to Walz, transportation appropriations should follow priorities determined by the nation and the new Congress. “First and foremost, Congress possesses the constitutional authority to spend money,” Walz said, noting he’d like to see spending priorities given to regions of the country based on economic output.

Following up on a point made earlier by Chairman Oberstar, Walz said partisanship in Congress has impeded the development of adequate policy. “The partisanship is so great that ideology is driving decisions on politics, not



“The partisanship is so great that ideology is driving decisions on politics, not the facts that are there.”

—U.S. Rep. Tim Walz

the facts that are there,” he explained. “Part of the problem in this country is that we have had leadership that’s wanted to put ideology above policy and didn’t want to look at the reality.”

Walz referenced his involvement in the highly publicized conflict between the Mayo Clinic and the DM&E Railroad as an example of how ideology can undermine good public policy. When he took issue with the lack of competition in the rail industry and DM&E efforts to develop a high-volume line through the Mayo campus with a \$2.3 billion federal loan, he was characterized as opposed to rail travel. “No one doubts the need for increased rail. No one doubts that southern Minnesota would benefit from increased rail as it would take pressure off our highways and give our shippers more opportunities,” Walz said. “The problem is the way the rails are set up. The rail company wants to keep that scarcity there because then it allows them to have captive shipping rights.”

Walz also said that lawmakers need to consider long-term infrastructure needs when determining spending priorities. That may sometimes involve difficult choices about taxes and spending levels, but “to not make that choice is still adding a tax. To not make that choice is still costing us,” Walz concluded. “Let’s have the vision to get out ahead of this.”

The complete text of U.S. Rep. Tim Walz’ speech from April 7, 2008, is online at www.cts.umn.edu/oberstarforum.

National Commission Recommends Broad Policy Reforms, Expanded Federal Role

A panel of national transportation experts discussed major reform of federal transportation policy during the public portion of the forum. Speakers were National Surface Transportation Policy and Revenue Study Commission vice chair Jack Schenendorf, commissioner Steve Heminger, USDOT deputy assistant secretary for transportation policy David Horner, and Rep. James L. Oberstar.

To begin, Schenendorf outlined the objectives of the National Commission, noting its charge to assess the current state of the system and ways to address the enormous challenges of an aging system and increased demand. “These are national problems that need national solutions,” he said. “If we don’t get started now, we’ll fall so far behind that we’ll never catch up.”

The National Commission, representing a broad political spectrum and including input from the private sector, recommended spending at least \$225 billion annually from all sources during the next 50 years to address the crisis (up from the \$87 billion spent annually now). Schenendorf said about half of the money is needed to repair existing systems and the other half is for new capacity. He proposed developing world-class intercity passenger rail in 300- to 500-mile corridors, intercity freight rail, and additional highway capacity to handle mounting freight volumes.

Schenendorf said the major elements of policy reform include returning the sense of vision and purpose to the federal program, changing and consolidating programs toward performance-based systems, and improving project delivery with a streamlined approval process. Figuring out how to pay for it, he added, will come once the American public is better apprised of the extent of the transportation crises and required improvements. He emphasized that all funding options need to be considered, including bolstering the Highway Trust Fund (HTF) with federal gas tax increases, tolls, customs fees paid by shippers, and private investment.

Schenendorf also noted the commission’s concern about tolling, congestion pricing, and private investment. “One fear we had is some of the current forays into these areas [have been] the kind of projects that could cause backlash among the public where they could reject proj-

“We want private-sector solutions to be more readily acknowledged and considered.”

—David Horner

“These are national problems that need national solutions.”

—Jack Schenendorf

ects in their entirety,” he said.

Next, Heminger underscored the level of reform and restructuring necessary to meet the nation’s vital transportation needs. “We do not recommend reauthorizing the program in its current form,” he said, noting there are currently more than 100 spending categories. “We believe it’s fundamental before we invest new funding, that we reform the program.”

To that end, Heminger listed the proposed 10 major—and mostly mode-neutral—areas of a reformed surface transportation program: infrastructure asset management; globally competitive freight transportation; urban congestion relief; national transportation safety; rural access; intercity passenger rail; environmental stewardship; energy security; federal lands access; and research and development.

Furthermore, Heminger reiterated comments earlier in the forum that global warming was overlooked in the report. “Global climate change has come upon us like a ton of bricks, and the authorization that is coming will have to do a lot about that subject and have to do quite a bit more than we recommend,” he concluded. “We need to treat transportation as if our future is at stake—because it is.”

Finally, Horner, representing commission chair U.S. Secretary of Transportation Mary Peters, noted the support across the country and across the political spectrum

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Jack Schenendorf, Steve Heminger, and David Horner

Leaders Assess Likelihood of Transforming National Transportation Policy

Representatives of national transportation associations joined Rep. Oberstar during the final panel of the forum to discuss the likelihood of policy transformation. John Horsley, executive director of the American Association of State Highway and Transportation Officials (AASHTO), William Millar, president of the American Public Transportation Association (APTA), and Pete Ruane, president and CEO of the American Road & Transportation Builders Association (ARTBA) each expressed support for the National Commission's efforts.

"The likelihood for policy transformation is there," Horsley said. "Now the challenge to us in the industry is to craft recommendations to Congress that resonate with the American people, in sync with what the commission has recommended."

Horsley also weighed in on tolls and other financing, a persistent topic of debate throughout the forum. Only 5 percent of U.S. transportation revenues derive from tolls, he pointed out. "Even if we double it and go from \$8 billion to \$16 billion, it's not a silver bullet. But it's a helpful option, especially at the state and local level."

Horsley said that the "tsunami of freight" growth—a doubling of truck volumes in the United States by 2035—necessitates keeping current highway and trans-

"The challenge to us in the industry is to craft recommendations to Congress that resonate with the American people."

—John Horsley



John Horsley, William Millar, and Pete Ruane

"We are going to need all the transportation capacity in a variety of modes."

—William Millar

sit programs, and basic funding structures, as well as seeking imaginative new ways to expand revenues at all government levels. Reform, he concluded, will require programs to be based on performance, outcome, and accountability.

Millar focused on the commission's recommendations for a multimodal approach, which he said APTA supports. "We are going to need all the transportation capacity in a variety of modes," he observed. "We appreciate some big issues [the National Commission] didn't duck, like getting America to catch up with the rest of the world in passenger rail transportation or figuring out how we can encourage the freight railroads to be more active participants in this and improve transit investment."

The popularity of public transit, including intercity rail and bus transit, has grown around the nation, Millar continued. Since the mid-1990s, use of public transit has increased more than 30 percent while the population has increased 15 percent. "The higher cost of gas is spurring some of this growth," he said, noting overall transit ridership in the Twin Cities rose nearly 5.5 percent in 2007.

Millar voiced concern about the relationship between operating assistance and capital maintenance spending as new policies and programs are developed. "Does it make sense to invest heavily in new buses or a rail system, if there isn't a way to properly maintain and operate that?"

Still, Millar congratulated Minnesota counties that recently levied additional sales taxes to raise additional investment money for transportation. He also lauded programs such as the national Urban Partnership Agreement that awards grants to cities for transportation improvements.

Ruane, representing the private sector that builds and designs many of the nation's roads and ports, said policy transformation at all levels of government is imperative. "We face a 40 percent cut in the federal highway program if this problem isn't addressed in the coming weeks or months," Ruane stressed.

Citing forecasts of U.S. population growth from 300 million today to 420 million by 2050 and predictions of doubled freight traffic, Ruane also highlighted the need

for expanding the country's infrastructure. Additionally, he advocated freight-related user fees outside of the Highway Trust Fund to improve the national freight network.

Ruane also underscored comments earlier in the forum about public safety and the high number of U.S. highway fatalities (more than 42,000 annually), noting that legislators have ignored programs to improve safety, including design and modernization of roads. To address the issue, ARTBA has commissioned research on U.S. highway fatalities, he said.

Ruane concurred with the opinion of many forum participants that public-private partnerships are only part of the solution for transportation, but credited private-sector efforts in helping address the crisis. He also tapped

“We face a 40 percent cut in the federal highway program if this problem isn't addressed in the coming weeks or months.”

—Pete Ruane

another undercurrent of the forum involving public education about transportation, suggesting a “massive grassroots involvement” to achieve the transformation. “I'm confident we will win,” he said.

Continued from page 9

for the National Commission's recommendations. At the same time, he proposed higher levels of innovation to address the transportation crisis. “The point of reference of the commission's report is too much of the past and not of the future,” he said.

In representing the minority view on the commission, Horner said the USDOT supports a higher level of tolls, private investment, and public-private partnerships. He cited similar structures in freight-rail networks and public utilities, and he provided several global examples. “We're not endorsing a categorical approach,” he said. “But we want private-sector solutions to be more readily acknowledged and considered than they have been in this report.”

During the discussion following each panelist's formal presentation, Schenendorf described the current admin-

“We need to treat transportation as if our future is at stake—because it is.”

—Steve Heminger

istration's approach as relying on private-sector investment and tolling for the whole solution and recommending the federal government take a minimalist role. “The administration is saying we don't need any more money at the federal level or public tax money in the system, that it can all be done through the private sector,” Schenendorf said. “We think it's part of the solution.”



The Next Authorization: Transforming Transportation Policy?

Attendees of Invitation-Only Discussions

National and Minnesota Leaders

Susan J. Binder, National Surface Transportation Policy and Revenue Study Commission
Richard Braun
Debra Brisk, HDR Engineering, Inc.
Fred Corrigan, Aggregate and Ready Mix Association of Minnesota
Jake Crandall
Scott Dibble, Minnesota Senate
Douglas Differt, URS
Steve Elkins, City of Bloomington, Minnesota
Jim Erkel, Minnesota Center for Environmental Advocacy
Marianne Fowler, Rails-to-Trails Conservancy
John Hausladen, Minnesota Trucking Association
Steve Heminger, National Surface Transportation Policy and Revenue Study Commission
David Horner, U.S. Department of Transportation
John Horsley, American Association of State Highway and Transportation Officials
James Hovland, City of Edina, Minnesota
Michael Huber, Center for Prevention
Gregory Isakson, Goodhue County, Minnesota
Curtis Johnson, Citistates Group
Rick Krueger, MN Transportation Alliance
Brian Lamb, Metro Transit
Colleen Landkamer, Blue Earth County, Minnesota
Stephen Lockwood, Parsons Brinckerhoff
Marcia Marcoux, City of Rochester, Minnesota
Arlene McCarthy, Metropolitan Council
William Millar, American Public Transportation Association
Dan Murray, American Transportation Research Institute
James Oberstar, U.S. House of Representatives
Ray Rought, Minnesota Department of Transportation
T. Peter Ruane, American Road and Transportation Builders Association
Brain Ryks, Duluth Airport Authority
Jack Schenendorf, National Surface Transportation Policy and Revenue Study Commission
Joelle Schmitz, CSX Transportation
Julie Skallman, Minnesota Department of Transportation
Richard Stehr, HNTB Corporation
Richard Stewart, University of Wisconsin–Superior
Peter Sweatman, University of Michigan
Richard Thomas, Ames Construction
Blair Tremere, Hennepin County, Minnesota
Douglas Weiszhaar, WSB and Associates, Inc.
Charles Zelle, Jefferson Lines

University of Minnesota Attendees

John Adams, Geography
Max Donath, ITS Institute
Jerry Fruin, Applied Economics
Timothy Holst, Swenson College of Science and Engineering, University of Minnesota Duluth
Larry Jacobs, Humphrey Institute of Public Affairs
Robert Johns, Center for Transportation Studies
David Levinson, Civil Engineering
Henry Liu, Civil Engineering
Laurie McGinnis, Center for Transportation Studies
Lee Munnich, Humphrey Institute of Public Affairs
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