



NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS

LEGISLATIVE ISSUE BRIEF

THE VOICE OF THE NATION'S REGIONAL DEVELOPMENT ORGANIZATIONS

2009 SAFETEA-LU REAUTHORIZATION PRIORITIES

ISSUE: The members of the National Association of Development Organizations (NADO) support full and sustainable funding for the nation's highway, safety and transit needs as outlined in the federal surface transportation act SAFETEA-LU. As Congress and the administration work to reauthorize this essential legislation in 2009, we encourage federal policymakers to consider the unique and special needs of our nation's small metropolitan and rural regions, such as:

- **Provide equity in the roles and level of participation of rural local elected officials, through the national network of regional development organizations, in the statewide transportation planning and programming processes.** While local elected officials in metropolitan areas above 50,000 population have a federally-mandated and clearly defined role in shaping their region's transportation vision and priorities, state transportation officials are required only to "consult" with rural local government officials. Since the passage of the 1991 ISTEA highway and transit bill, nearly 25 states have voluntarily enhanced their rural consultation partnerships with the help of regional development organizations; *however, there are still far too many states without formal and transparent processes for soliciting and vetting the needs and priorities of rural local government officials.*
- **Each year, more than 42,000 Americans are killed and nearly 3 million are injured on our nation's roadways.** In addition to the emotional and human toll, the total cost of crashes exceeds \$230 billion annually. Unfortunately, more than 60 percent of highway fatalities typically occur on two-lane rural roads. When adjusted for vehicle miles traveled, according to the U.S. Government Accountability Office (GAO), some rural roads have a fatality rate over six times greater than urban interstates. These facts are extremely troubling since only 40 percent of all vehicle miles are traveled on two-lane rural roads. *Therefore, we encourage Congress and the US Department of Transportation to ensure that rural officials are given the resources necessary to improve rural safety planning, outreach and roadway improvements.*
- **Public transportation is only available in 60 percent of rural counties, according to USDA's Economic Research Service, with less than 30 percent of the nearly 1,200 systems offering limited service.** While the deployment of more reliable, coordinated and efficient public transportation systems has increased substantially from the early 1990s, there remains a significant unmet need and demand for rural public transportation, especially in areas with higher rates of elderly and low-income workers. *As part of the SAFETEA-LU reauthorization bill, federal policymakers are encouraged to increase federal funding for existing and new rural public transportation providers, as well as incorporate enhanced incentives, research and program tools to promote improved regional coordination and integration of public transportation systems in small metropolitan and rural regions.*

Following is additional background and specifics on NADO's transportation priority issues.

FUNDING FUTURE TRANSPORTATION NEEDS

As Congress and the administration work to reauthorize the \$286 billion Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) legislation in 2009, it is essential that federal policy makers consider the unique, pressing and complex highway, safety and transit needs of small metropolitan and rural America.

- *The U.S. population is projected to increase from 300 million in 2007 to approximately 435 million by 2055*
- *The number of vehicle miles traveled is estimated to jump from 3 trillion to 7 trillion by 2055*
- *Freight demand is expected to grow from 15 billion tons today, according to the American Association of State Transportation and Highway Officials (AASHTO), to 29 billion tons in 2035, an increase of 89 percent*
- *More than 42,000 Americans are killed each year and nearly 3 million are injured on America's roadways*

At first glance, the facts above typically result in a mental picture of transportation gridlock, air pollution, roadway crashes and congestion in America's major metropolitan regions and hubs. However, the reality is that small metropolitan and rural communities across the nation are also facing these transportation-related challenges and needs. While the scale may not always be the same, the level of importance and complexity of finding solutions for businesses, residents and visitors of these communities and regions often are.

Unfortunately, state and local government officials must address the growing backlog of surface transportation needs at a time when the nation is facing a "perfect storm" with respect to federal transportation policy and funding:

- **Solvency of the Federal Highway Trust Fund** — The trust fund is facing unprecedented pressures with an anticipated shortfall of \$3.3 billion by the end of FY2009. With the federal highway and transit program accounting for more than 40 percent of surface transportation investments, state and local officials need the confidence and security to move forward with costly maintenance, improvement and capacity expansion projects. This is not just a transportation and quality of life issue, but a requirement to maintain our nation's economic competitiveness.
- **Purchasing Power of the Dollar** — The purchasing power of the dollar is declining rapidly within the transportation and construction arenas, due primarily to increased foreign demand for materials. According to AASHTO, construction costs jumped about 30 percent from 2004-2006. The purchasing power of \$1 in 1993, the last year of a federal gas tax increase, will be 30 cents by 2015, the last year of the next SAFETEA-LU reauthorization bill.
- **Freight Traffic, Safety and Economic Competitiveness** — As the United States relies more heavily on imported goods, gains another 100 million residents and expands newer and existing metropolitan and micropolitan hubs, the demands on the existing surface transportation system will simply become overwhelming within the next few decades. Without considering future needs from these and other factors, the nation already faces incredible backlogs. Nearly 162,000 miles of federal-aid highways have conditions rated unacceptable and nearly 154,000 bridges nationwide are structurally deficient or functionally obsolete, according to the U.S. Department of Transportation's 2006 conditions report.

As the Congress and administration work to reauthorize SAFETEA-LU, it is essential that the economic and community development needs of small metropolitan and rural America be incorporated and addressed as part of the long-range financing solutions.

RURAL OFFICIAL CONSULTATION IN STATEWIDE PLANNING PROCESS

Best described as the gateway for accessing federal highway funds, the statewide transportation planning process has slowly evolved since its creation under the 1991 ISTEA bill. In 1991, Congress outlined a prominent role for local elected officials serving communities above 50,000 in the transportation planning and project investment process through Metropolitan Planning Organizations (MPOs). Today, there are 385 MPOs funded through a 1.25 percent take-down, totaling almost \$300 million annually, from the core highway programs and another allocation from the transit account.

However, since the passage of the landmark 1991 ISTEA legislation, rural local elected officials have not been afforded the same rights and responsibilities as MPOs, instead leaving control of rural transportation decisions almost entirely in the hands of state officials. This double standard has persisted despite the fact that rural local governments operate, own and maintain a significant portion of the nation's roadways, bridges and transit systems.

To further strengthen the role of rural local officials in the transportation planning and project development process as part of the SAFETEA-LU reauthorization bill, NADO urges Congress and the administration to:

- ◆ **Provide formal recognition and a definition for *Rural Planning Organizations*.** While the roles, functions and membership of Metropolitan Planning Organizations (MPO) are clearly defined in federal transportation law and rules, the term *Rural Planning Organization* is used informally and more loosely to reference an entity that provides a forum for local input on transportation issues in non-metropolitan areas. Federal recognition and definition of RPOs would acknowledge the valuable role these entities are increasingly playing in many states.
- ◆ **Allow the U.S. Department of Transportation to review, comment and approve the rural consultation models being used by state transportation officials.** As highlighted in the February 2007 statewide and metropolitan planning rulemaking, rural local government officials shall be consulted and treated separately from the general public outreach process. This reflects the unique role, including significant ownership of transportation assets and public accountability, which local governments and their elected leaders play in the intergovernmental process.
- ◆ **Target federal highway, transit and safety planning resources to enable RPOs and rural local officials** to build the planning, project development and institutional capacity needed to maintain and build a multi-modal, seamless transportation network. Currently, states are required to spend up to 2 percent of core highway program funds on statewide planning and research (known as SPR funds) while nationally MPOs receive nearly \$300 million each year for metropolitan transportation planning, special studies and technical capacity. Rural local governments and their regional development organizations (including those serving as Rural Planning Organizations) must rely on the voluntary sub-allocation of planning funds (including SPR funds) from states, which is only estimated to occur in less than 25 states.
- ◆ **Urge states to fully implement the rural official consultation provisions of the 2007 FHWA-FTA statewide planning rules.** Specifically, Congress and the administration should ensure that state transportation officials have developed a documented and formal process for soliciting local official input into statewide transportation plans. As outlined under the federal rules, the rural official consultation process must be "separate and discrete" from the general public outreach process.

RURAL OFFICIAL CONSULTATION: HISTORICAL CONTEXT AND STATUS

As part of the 1998 TEA-21 reauthorization bill, Congress took modest steps toward ensuring rural local officials were given a voice in statewide transportation planning and funding decisions. The language simply called for state transportation officials to “enhance” their consultation practices with rural officials. Unfortunately, the legislation prohibited US DOT from reviewing or approving the practices and processes used by state DOTs.

After nearly five years of outreach and negotiations, the U.S. Department of Transportation issued final regulations on January 23, 2003 to implement the expanded TEA-21 requirements. These provisions were retained in full as part of the broader statewide and metropolitan rules reissued in February 2007. The rural official consultation rules, which are based on a compromise developed by NADO, the National Association of Counties (NACo) and American Association of State Highway and Transportation Officials (AASHTO), include several basic requirements:

- Each state must have a documented process for soliciting and gathering the input of rural local officials on statewide transportation plans and investment programs
- The consultation process must be “separate and discrete” from the public involvement process
- States must confer with local officials before taking actions, consider the officials’ views and periodically inform them about actions taken

As a result of these requirements, a growing number of states are tapping into the planning expertise and local official networks of regional development organizations to help form and staff locally-driven consultation models referred to as Rural Planning Organizations (RPO). Since 1998, the number of states with formal agreements or legislation either creating RPOs or utilizing existing regional development organizations to deliver rural transportation consultation and planning services has risen from 17 to nearly 25. However, there are still nearly half of all states that lack a formal, well documented and transparent process for soliciting and considering the needs, views and priorities of rural local government officials.

The benefits of involving local stakeholders in the rural transportation planning process through either the creation of RPOs or utilizing regional development organizations, according to the National Academy of Public Administration, includes:

- Improved performance of transportation systems and better outcomes for end-users
- Stronger support for implementing transportation plans and programs
- Ability to craft better plans and programs that more accurately reflect local needs
- Increased trust in government that comes from an open and transparent consultation process

While RPO models and functions in each of the nearly 25 states are different, they share many of the same duties. These include identifying and ranking project priorities on a regional basis for consideration by the state, coordinating the input and participation of local government officials, conducting special studies and needs assessments, and providing technical assistance to local officials. Each RPO is typically governed by a policy committee of state and local officials, along with a technical advisory committee on local public works staff, transit providers, modal representatives and others. Annual funding for each RPO ranges from \$25,000 to \$250,000, depending on the state and scope of work.

FOR MORE INFORMATION, CONTACT NADO LEGISLATIVE DIRECTOR JASON BOEHLERT AT 202.624.8590 OR JBOEHLERT@NADO.ORG.