



WRITTEN STATEMENT FOR THE RECORD

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MID-EAST COMMISSION

AND

PRESIDENT OF THE
NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS
(NADO)

BEFORE THE
HOUSE TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT

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Thank you, Chairman Duncan, Ranking Member DeFazio and members of the subcommittee, for the opportunity to testify today on our ideas for improving and reforming the nation's surface transportation programs, especially for our nation's small metropolitan and rural regions.

My name is Timothy Ware. I am the Executive Director of the Mid-East Commission, headquartered in Washington, North Carolina. I also currently serve as the President of the National Association of Development Organizations (NADO).

NADO provides advocacy, education, networking and research services for the nation's 520 public-based regional development organizations. As part of the nation's intergovernmental system, the association and its members promote regional strategies, partnerships and solutions to strengthen the economic competitiveness and quality of life across America's local communities. Each regional development organization is typically governed by a policy board of local government officials, along with representatives from the business and community sectors.

The Mid-East Commission is part of the statewide network of 17 regional development organizations / regional councils of governments in North Carolina. Our organization is a voluntary association of municipal and county governments that are located in five eastern counties of the state. Our organization serves as a forum for local governments to solve common problems associated with community and economic development, services for the elderly, transportation and workforce development. This includes coordinating the activities and programs of our region's rural transportation planning organization (RPO). Our RPO provides a venue for local official consultation with the North Carolina Department of Transportation and ensures that rural local officials and other stakeholders are part of the state's transportation planning process.

The members of NADO, Mr. Chairman, believe that the rewrite of the SAFETEA-LU federal surface transportation law (P.L. 109-59) is occurring at a highly pivotal time for the United States. While we understand the pressing need to tackle our short-term and long-range fiscal challenges at the federal level, we also believe that the United States must sustain and modernize our nation's transportation infrastructure if we want to remain at the forefront of the global economy.

This is especially true for small metropolitan and rural regions focused and dependent on export agriculture, advanced manufacturing, value-added production and distribution of natural resources, alternative and renewable energy, and tourism. It is also a pressing need for regions suffering from aging or inadequate infrastructure, as well as those experiencing or preparing for dramatic shifts in their population demographics, such as community growth, aging populations or increased commuting distances and times for residents and workers.

As the committee crafts a rewrite of the SAFETEA-LU surface transportation legislation, we respectfully submit three main recommendations.

First, Mr. Chairman, federal transportation plans and programs should be linked and coordinated more closely with the regional community and economic development strategies and priorities developed by local officials, especially in small metropolitan and rural regions. This includes the U.S. Economic Development Administration's Comprehensive Economic Development Strategy (CEDS) process managed by the national network of 382 Economic Development Districts.

With fewer public resources available for the development, maintenance and/or expansion of transportation infrastructure, it is essential that we target and leverage federal resources for projects and programs that are coordinated and prioritized on a sub-state regional level. We can no longer afford to invest federal transportation resources into projects that are not linked or coordinated with regional and local community and economic development strategies. This includes aviation, highways and bridges, transit systems, and multi-modal and intermodal passenger and freight facilities.

In Pennsylvania, several state and regional agencies, including the state's Department of Transportation (PennDOT) and the network of seven Local Development Districts, have been aggressively testing new models for better coordination and integration of land use and transportation goals with regional and local economic development strategies.

These efforts are being driven by the goal of conserving and targeting public resources for transportation infrastructure improvements that are prioritized on a sub-state regional basis and

are linked to regional economic development opportunities and needs. The initiative is also aimed at streamlining and coordinating the state's various regional and local planning processes, speeding the planning and implementation of projects, and helping determine the most effective methods of distributing funding.

While the Pennsylvania model varies from region to region and continues to evolve, there are several key lessons for federal policymakers to consider. The most important is that federal transportation planning and investment decisions should be more closely tied to, and informed by, the goals and priorities of regional community and economic development strategies. In addition, the Pennsylvania approach reinforces the benefits of engaging local government officials, along with state and local environmental, natural resource and community development agencies and stakeholders, throughout the process. This starts with the long-range plan and visioning process and continued through the development of the short-term investment program to the implementation of specific projects and initiatives.

In my home region, transportation is an essential part of our region's economic development future. Even though we are only 100 miles from the Research Triangle area, we still do not have an Interstate highway in our multi-county region. This presents us with significant challenges. For example, one of our region's major employers is a phosphate mine, which is sending hazardous material up a two-lane highway with numerous at-grade intersections and even several dangerous wildlife crossings. We also have several boat manufacturers who must transport wide beam boats on narrow roads.

Now, we have a new industry being developed that will produce wood pellets for fuel, with most of the product being shipped from Norfolk, Virginia to Europe. While we are excited to have this new industry and associated jobs, our towns are concerned with added safety and maintenance issues since several tractor trailers will leave the plant each hour and travel through the middle of town.

Second, Mr. Chairman, state transportation officials should work regionally with local elected and appointed officials as part of the statewide transportation planning process. This would help strengthen local support, accountability and transparency related to the investments of federal surface transportation resources. This was a major goal of the regional transportation

planning legislation (H.R. 2782) that you, along with Congressman Tim Walz of Minnesota and 25 other co-sponsors, championed last Congress. Last week, we were pleased that Senators Amy Klobuchar (D-MN) and Lamar Alexander (R-TN) re-introduced companion legislation (S. 625) in the U.S. Senate. The members of NADO strongly support this important legislation.

While often viewed as only roads and bridges, the rural transportation system actually consists of a complex and growing network of local transit services, intermodal freight connectors, regional airports, short-line railroads and port terminals. Often times, local governments are the owners, operators or partners of these transportation assets and facilities. Therefore, there is an immediate and logical need for a higher level of cooperation between state and local officials to ensure that the nation's multimodal transportation system is integrated and connected in a seamless and efficient manner.

To achieve this goal, a growing number of state DOTs are tapping into the planning expertise and local official networks of regional development organizations to help form and staff locally-driven consultation models, often referred to as Regional/Rural Transportation Planning Organizations (RPOs). Since the passage of Transportation Equity Act for the 21st Century (TEA-21) in 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 to more than 25 states.

However, our research shows that nearly half of all states still lack a formal, well documented and transparent process for soliciting and considering the needs and priorities of rural local government officials in a process that is "separate and discrete" from the public involvement process, as required under current Federal Highway Administration and Federal Transit Administration statewide planning rules.

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, include:

- Improved performance of transportation systems and better outcomes for end-users
- Stronger local community 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 in each of the more than 25 states are different and are at varying stages of maturity, they share many of same principles. 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 need assessments, and providing technical assistance to local officials. Increasingly, RPOs are also assisting state DOTs and local governments with asset management systems and data-driven performance measurements. Each RPO is typically governed by a policy committee of state and local officials, along with a technical advisory committee of local public works staff, transit providers, modal representatives and citizen representatives.

The formal involvement of rural local officials in the transportation process also provides a vital link to local economic development and land use activities. This underlying principle recognizes that state transportation policies and plans have an enormous impact on rural communities, especially as they relate to local economic development, land use management and workforce development efforts.

It is no longer sufficient for transportation planning to be focused on ‘project lists’ and technical needs developed in a vacuum, without regard to the local and regional challenges that arise from their development. Issues such as multimodal planning and public transportation, land use and development, freight transportation needs, and economic development are local and regional priorities that should occupy a key concern in the statewide transportation planning process. Rural local officials must play an active role in this process if we are to make effective use of our limited federal transportation resources.

In 2005, the Tennessee Department of Transportation, in partnership with the state’s nine regional development organizations, formed 12 new RPOs to complement the 11 existing Metropolitan

Planning Organizations (MPOs). The RPOs are tasked with facilitating the input and involvement of local elected and appointed officials in the state's planning and decision-making processes, as well as making recommendations to the state department of transportation on multi-modal transportation needs and short-term funding priorities. While the Tennessee DOT is still ultimately responsible for statewide transportation planning, the RPO process is intended to serve as the primary tool to increase local input and to pursue a more comprehensive approach to multi-modal planning in the state.

Since 2002, the North Carolina Department of Transportation has implemented a similar re-engineering of its consultation process with rural local officials. The change was mandated under a state law inspired by the 1998 TEA-21 law and passed in July 2000. The state law required the establishment of rural planning organizations (RPOs) to work cooperatively with the state to plan rural transportation systems and to advise the department on rural transportation policy (Senate Bill 1195. Covered under Article 17 General Statute 136-210 through 213.)

In North Carolina, our state officials worked with our local officials and our network of regional development organizations (known locally as regional councils of government) to create 20 RPOs that serve all counties outside of the existing 17 MPOs. Under the state law, RPOs are required to serve contiguous areas of 3–15 counties and must have a combined minimum population of 50,000. In forming the RPOs, not all of the municipalities in the region were required to join, but each county must be a member.

Funded by the state at \$80,000 to \$100,000 each year and with a 20 percent local match, each RPO in North Carolina has five core functions:

- Coordinate and develop local and regional plans
- Provide a forum for public participation in the transportation planning and implementation process
- Prioritize projects for consideration in the state transportation improvement program
- Provide transportation-related information to local governments
- Coordinate regional issues between contiguous MPOs, RPOs and other regional organizations

As outlined in the North Carolina and Tennessee examples, the members of NADO support giving state DOTs the flexibility to design and implement RPO models that fit their individual state's governing structure, political system and even geographic landscape. However, we believe state DOTs should engage rural local officials in a formal, well-documented and transparent planning process that is informed and complemented by local government priorities and strategies for community and economic development.

Third, Mr. Chairman, federal and state transportation policies should take into consideration the unique conditions and challenges of our nation's regions and communities, especially those outside of the major metropolitan areas. This includes a range of important policy issues, such as ensuring private sector firms and citizens in small town and rural America are connected to global, national and regional hubs; reducing rural road fatalities and injuries; and meeting the needs for alternative transportation services for both private sector businesses and rural citizens.

As just one example, the export agricultural sector remains one of the United State's most competitive sectors with a value of more than \$115 billion in 2009, according to USDA's Economic Research Service. To remain at the forefront globally, it is essential that we maintain and expand our capacity to aggregate, process and distribute our goods, commodities and services in a timely and seamless fashion. This isn't just domestically, but increasingly, globally.

Earlier in March, the NADO Research Foundation sponsored a peer exchange to explore the Rural-Urban Connections Strategy (RUCS) initiative of the Sacramento Area Council of Governments in California. One of the common themes heard from farmers and agricultural companies was the extreme challenges and costs of moving their products from their fields and regional distribution hubs to the ocean ports and intermodal transfer facilities in the major metropolitan areas. In today's global marketplace, their primary concerns were with the transportation aspects of just-in-time delivery and inventory management, along with the more traditional issues of multi-modal options and access to quality infrastructure.

As the nation pursues new approaches to value-added agriculture, energy production and distribution, advanced manufacturing and even tourism, it is critical that we retain highly efficient and cost-effective transportation connections to small town and rural America.

In closing, Mr. Chairman, we support efforts to strengthen the coordination of federal surface transportation investments and plans more closely with regional and local community and economic development strategies, including those supported with federal money. We believe federal transportation investments would be targeted, leveraged and coordinated better if state transportation officials worked regionally and in a more cooperative manner with local elected and appointed officials as part of the statewide transportation planning process. This has been proven in states such as Arizona, Kentucky, Missouri, Pennsylvania, South Carolina and Tennessee. We also want to ensure our federal transportation policy takes into consideration the vital community and economic development contributions of rural-based industries and sectors to our nation's economic, energy and national security.

Thank you again, Mr. Chairman and members of the subcommittee, for the opportunity to appear before you today. I would be pleased to answer any questions.