BROOKINGS

1775 Massachusetts Avenue, NW
Washington, DC 20036
telephone 202.797.6000
fax 202.797.6004
web brookings.edu

Metropolitan Policy Program

Recommendations for Transportation Agency Review Working Group

Short term priorities:

Transportation investments should be included in the stimulus bill in order to jumpstart the economy. The focus should be on investments that secure the existing system and help transition to a clean, efficient, energy-independent future-- creating millions of green jobs, and job opportunities for the under-employed in the process. Three core recommendations:

1. **Fix what is broken and build out green infrastructure**

- Stimulus funds for the highway and road network should be restricted to rehabilitation and maintenance projects only. States should be given the option of flexibly transferring funds to ready-to-go transit initiatives, non-motorized initiatives, and projects that result in transportation demand reduction.
- To support new capacity in fast-growing areas that puts us on a path to clean, efficient, energy-independent future new transit expansions and projects should also be part of the economic stimulus. Specifically, any pending project seeking New Starts and Small Starts funding (section 5309) and approval that have met statutory criteria should be eligible for economic stimulus funding.

2. **Ensure states, metropolitan areas, and localities have a role in programming funds**

- The mechanism for distributing the transportation infrastructure stimulus funds should be the existing Surface Transportation Program (STP). This would ensure that, in addition to the guaranteed share of STP funds reserved for the states, local officials and metropolitan areas within the states would receive a balance of the funds based on population, as federal law has provided since 1991.
- STP funds are programmed based on a complex formula. For the purposes of the stimulus package, this would mean about 30 percent of funds are "suballocated" to metropolitan planning organizations (MPOs). This process of targeting funds specifically for urbanized, or metropolitan, areas is referred to as suballocation since the federal funds are allocated below the level of the state DOT—the traditional recipient for such funding. The state administers the funds for the other areas. Although the suballocated funds are directed to urbanized areas, the federal law directs local officials to work through MPOs in their administration.

3. **Demand transparency and accessible information**

- Since the stimulus will contribute only ready-to-go projects the states and metropolitan areas should quickly turn around a specific list of which projects will be funded. The list should be released publically in a transparent and accessible manner. To the greatest extent practicable, disclosures should take advantage of recent advances in geographic information systems and provide citizens with easy-to-read state and regional maps that chart and chronicle core highway and transit investments.
- The federal government should require state and local metropolitan transportation agencies to maintain information systems that measure progress on indicators of national significance. This should include indicators such as jobs created, cost-effectiveness, carbon emissions, fuel use and fuel economy, safety, and demand forecasting.
- Funds should be tied to performance measures that evaluate whether their proposed use is likely to enhance economic growth in the long-term. Then the federal government should track these funds to find out whether they actually accomplished what they predicted.
- To ensure this is not an unfunded mandate, for every billion dollars invested in infrastructure, one-half of one percent should be allocated for data-collection, analysis and reporting.

Long term priorities:

If transportation policy is going to achieve critical national objectives around economic competiveness, environmental sustainability, and social equity in an era of fiscal constraints it will require a 21st-century transportation vision. After reform measures are put in place, all funding options should be on the table.

1. The federal government must **lead** in those areas where there are clear demands for national uniformity or else to match the scale or geographic reach of certain problems. The U.S. needs to define, design and embrace a new, unified, competitive vision for transportation policy—for both passenger and freight that includes its purpose, its mission, its overarching rationale. It should include focused, targeted investments in those gateways and corridors that are the critical nodes of international trade and inter-metropolitan commerce. An independent **national infrastructure bank** should be established to define and finance those projects of substantial regional and national significance now and in the future.

2. The federal government should **empower** states and metropolitan areas to grow in competitive, inclusive, and sustainable ways. Major metropolitan areas should be given more direct funding and project selection authority to enable them to embrace market mechanisms, level the playing field between the highway and transit programs, and create significant new prizes to spark bold new innovation and creativity in regions that want to link disparate transportation, housing, energy, and environmental policies to create better outcomes. **Sustainability Challenge Contracts** would award competitive grants – as much as $100 million each – to the partnerships of states, metros, localities, or other entities that devised the boldest, most interdisciplinary proposals for improving regional development patterns or reducing carbon emissions.

3. The federal government should **optimize** Washington's own performance and that of its partners to maximize metropolitan prosperity. In order to rebuild public trust, the rationale for the federal program should be apparent to the American people and contain an explicit set of outcomes that consider environmental, energy, and social impacts. Yet in order to commit to such an evidence-based program we need to build a **world-class data and information system** ("TranStat') that is transparent and accessible.

Robert Puentes
Brookings Institution
Metropolitan Policy Program