

**TESTIMONY OF  
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The MPO and Council of Governments  
in Little Rock, Arkansas  
And Immediate Past Vice-President of the  
**ASSOCIATION OF METROPOLITAN  
PLANNING ORGANIZATIONS**

**BEFORE THE  
NATIONAL SURFACE TRANSPORTATION  
POLICY AND REVENUE STUDY  
COMMISSION**

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Madame Secretary, Administrators and Members of the Commission, I am Jim McKenzie, Executive Director of Metroplan, the Metropolitan Planning Organization and Council of Local Governments in Little Rock, Arkansas. I am appearing today at your invitation. I am the immediate past-president of the Association of Metropolitan Planning Organizations (AMPO) and the immediate past chairman of its policy committee as it began its reauthorization deliberations.

My comments today reflect my own thoughts on the issues before the Commission and, although under discussion within AMPO, do not represent the positions of the organization.

Harrison Rue, Executive Director of the Thomas Jefferson Planning District Commission in Charlottesville, Virginia and AMPO's current Vice-President testified to you at your Atlanta hearing in February and did a commendable job. I will not attempt to repeat Mr. Rue's testimony, but heartily recommend it to you.

Let me begin by placing my thoughts on the future in context. First, I would like to refer to an article in *TR NEWS No. 244* published by the Transportation Research Board:

**The Exceptional Interstate Highway System**  
*Will a Compelling New Vision Emerge?*

By Jonathan Gifford<sup>1</sup>

**The Interstate as an Exception**

Many have come to view the dominant federal role in the Interstate system as normal, because it was the norm for the past half century. Yet compared with its role in other major systems in the nation's history, the federal role in the Interstate system is exceptional.

The Interstate is exceptional in another way. The program commanded widespread support from Congress and the states for almost four decades...During that time, the Interstate program was subject to almost no earmarking of projects. No other federal program survived as long without becoming the target of legislative earmarking.

**Eroding Consensus**

This exceptional period, however, appears to be drawing to a close. [SAFETEA-LU] contained 6,000 earmarked projects. Congress is no longer deferring to the judgment and guidance of the engineers and experts...The exceptional consensus vision that brought the Interstate into being is eroding....

*No vision as compelling as that of the Interstate has yet emerged. Achieving the Interstate-like consensus...may not be possible...In this extraordinary time, it is imperative to explore new systems, new institutional and financial arrangements, new roles and new responsibilities. [emphasis added]*

Professor Gifford clearly calls for a new national vision, absent which the federal transportation program is destined to degenerate into an over-regulated revenue sharing program driven by increasing earmarks.

What will that national vision be? Who will offer the type of transformative leadership that President Eisenhower did in developing and passing the Interstate Highway program? And what is the strategic context, the tenor of the times, in which this new vision must be offered?

### **The New Strategic Context**

It is my belief that these five factors substantially define the strategic context for the United States today and for the foreseeable future:

- 1. 911 and Global War on Terrorism** – This long-term struggle places additional strain on an already stressed transportation system. But more importantly, oil profits are being used to fund terrorist networks in the Middle East.
- 2. The Global Economy and The Emergence of China and India as Major Competitive Forces** – In a flat world, every metropolitan economy on earth is in competition with each other for the best and brightest minds—the creative class. And we have just added 2 billion people to the resource intensive industrializing economies.
- 3. Oil Production Peaks** – U.S oil production peaked in 1970. In 1973, we imported 34.8% of our oil. Global oil production has been projected to peak in the vicinity of 2010, although there is some disagreement about the precise date. Today we import 60.3 % of our oil needs.
- 4. Global Oil Reserves Dominated by Unfriendly or Unstable Countries** – It is estimated that in the near future OPEC will control over 50% of the oil market.
- 5. The Inconvenient Truth of Global Warming** – The science appears incontrovertible, and the world is responding in order to reduce energy use and therefore green house gases. Aside from the fact that we only have one planet to live on, if we fail to match global conservation efforts, our economy will be at a competitive disadvantage.

As Yogi Berra said, “The future ain’t what it used to be.”

## **A New National Vision**

What will a compelling national vision for transportation be in this context? I would argue that the compelling national purpose for this country in the first half of the 21<sup>st</sup> century is **energy independence**. Our national security and our economic security depend upon it, for we can have neither if we can be held hostage to energy markets dominated by our enemies and competitors.

Most certainly, transportation plays a significant role in achieving the goal of energy independence. Over 60% of every barrel of oil used in the United States today is used by the transportation sector.

So let me borrow a concept being espoused by Mr. Michael Jackson, chairman of AutoNation Inc. Mr. Jackson proposes a 10¢ per gallon increase in federal motor fuel taxes every year for the next decade. As Mr. Jackson was quoted in an interview in the April 17, 2007 *Wall Street Journal* as follows:

*We've had five presidents in a row, including [the current] President Bush, tell us that America's dependence on imported oil is an issue of national security, and we don't have an energy policy that deals with the issue. We've gone from importing one-third of our oil to importing two-thirds. We need a strategy...which must include supply, technology and a change in consumer behavior. Increasing the gasoline tax by a dollar a gallon, phased in 10 cents a year over ten years, is a very compelling statement to the American consumer that the party is over, that we're going a new way.*

*People say let the market forces do it, but the market forces haven't done it. Despite all the hoopla over fuel costs in 2005, fuel economy only improved two-tenths of a mile per gallon, from 20.8 to 21.0. Fuel efficiency has only just caught up with cup holders on the consideration list of consumers. We have a long way to go on the issue. I think as part of an overall strategy, a gasoline tax is needed.*

*When I first started talking about this a year ago, there was a lot of expectation that I'd be tarred and feathered and run out of town. But our research shows, and this has been confirmed by independent research, that the majority of American consumers would support this. They don't support a gasoline tax in and of itself, but if it's part of an energy strategy that is really going to deal with America's dependence on imported oil, they will support it.*

Gregory Mankiw, a Harvard economics professor and former head of President Bush's Council of Economic Advisors supports the concept, as do other economists and business leaders.

So for the sake of argument, let's say we had such an energy policy and the funds were used to establish an Energy Independence Trust Fund. What would the revenue be used

for? Research on renewable technologies -- wind, solar, tidal, bio-fuel, on battery technology, on coal gasification and how to sequester green house gases, certainly all of that. On conservation efforts in homes and factories nation-wide, certainly that as well.

But what about transportation investments that contribute to the goal. Perhaps 25--40% of the total revenue goes to transportation improvements that serve a national purpose -- to improve our ports of entry and ease freight bottlenecks, to build a national passenger rail system that works and to deal with the metropolitan congestion that wastes fuel, generates pollution and saps national productivity.

For the remainder of my comments let me focus on the metropolitan congestion issues, for I am most familiar with them. The problems that we face in this area are highly concentrated ones – Tom Downs at the Eno Transportation Foundation tells me that 80% of the congestion nationally is in the twenty largest metropolitan areas.

Harrison Rue pointed out in his testimony that metropolitan areas account for 85 percent of our country's population, jobs, and economic output. They are centers of social and economic activity, hubs of the national transportation system, portals for the movement of people and goods, and gateways to the world.

The top twelve US metropolitan areas have populations larger than the twenty-five smallest states; sixteen are larger than the smallest twenty states and the twenty largest that generate all that congestion are larger than seventeen states (a full comparison is attached). If we want to solve metropolitan congestion as part of a national goal for energy independence or if we want to do it to ensure globally competitive economies or if we want to do it to help reduce greenhouse gas emissions, these large metropolitan areas should have the same resources and authority currently given to State Departments of Transportation. We need to build new institutions at the metropolitan level that are fully equipped with the tools to handle the demands placed upon them.

There is an old saying that goes “If the only tool you have is a hammer, then every problem looks like a nail”. The transportation corollary is that “If the only tool you have is a freeway, all the solutions look like by-passes.” But the fact is that the tool boxes in metropolitan areas must be stocked with far more tools than just freeways or toll roads or public-private partnerships. We must have land use regulations and housing policy, access management on strategic arterials and road connectivity between subdivisions, ITS to synchronize signals and inform motorists, and buses, trains and bikeways all working together at a metropolitan scale if we are to solve our congestion problems, keep our regions competitive and build communities where the creative class wishes to live.

These solutions need to be metropolitan in scope because the economies are metropolitan in scope. Unfortunately, our fragmented system of government sees only federal, state, and local – with one exception (Metro in Portland Oregon), it does not see metropolitan. The type of fully funded and empowered metropolitan institution that is needed in our large metro areas cannot be mandated by the federal government, it must be authorized under state law and in some cases through multi-state accords.

The good news is that states are increasingly seeing that they must have help in metropolitan regions in order to meet the growing backlog of transportation needs. You have heard from Mr. Rue about the **Regional Transportation Commission of Southern Nevada**. The RTC is the MPO for the Las Vegas Metropolitan area and acts as a transit provider, a road builder and operator. The RTC does not rely solely on federal dollars. Its funding authority includes a local option gas tax, an aviation fuel tax, and a sales tax to help pay for transportation needs. The RTC has the tools to implement their unique regional vision. I would also commend **Translink** in Vancouver, British Columbia as a model worth studying. Texas and Arkansas have both passed legislation authorizing regional mobility authorities, neither perfect pieces of legislation but moving in the right direction. AMPO is working on model legislation for the creation of regional transportation authorities, and we would welcome the Commission's assistance in that effort.

What should the federal role in this initiative be? Ideally, the federal government should provide financial incentives to targeted metropolitan regions and states to create these new institutions. The incentives should be performance based and the conformance voluntary. It would be most helpful for the federal government to provide standards for metropolitan transportation authorities. I would suggest that this type of targeted program, with the goal of national energy independence, be handled separate and apart from the existing federal transportation funding process. At the same time, increased funding for and improvements to the existing Highway Trust Fund process should be made. New roles and responsibilities among the federal, state and metropolitan partners should be considered, and the very least federal taxes flowing into the Highway Trust Fund should be indexed for inflation.

I do not, for a moment, forget the needs of smaller metropolitan areas like my own in Little Rock (600,000+), but frankly we are not where the largest problems are at the moment, nor where the greatest economic, environmental and energy impacts can be gained. We will grow and our roadways will become more congested. We are committed to raising our own resources to help address those issues, and we are committed to borrowing the best ideas from our peers around the nation in order to make our region more competitive.

Our great nation has faced challenges before – and risen to them. But we did not do it without sacrifice and bold leadership. I have no desire to go quietly into the good night and cede the 21<sup>st</sup> century to India and China. This nation's economy was built on the notion of creative destruction, always changing and innovating to meet new challenges. If meeting our transportation challenges requires us to think larger, to cast them in terms of energy independence, then we should not hesitate.

Administrators, and members of the Commission, I again thank you for this opportunity to testify before you. I look forward to the Commission's recommendations.

Notes:

<sup>1</sup> Jonathan Gifford is a professor at George Mason University and chairs the Transportation Research Board Committee on Transportation and Land Use