

Talking Points for R.T. Rybak
National Surface Transportation Policy and Revenue Commission
U.S. DOT, 1200 New Jersey Ave SE
June 29, 2007 – 8:30 a.m. – 12:30 p.m.

Good morning, I am R.T. Rybak, Mayor of Minneapolis. I appear here today on behalf of The U.S. Conference of Mayors.

Opening Comments

I want thank each of you for your hard work and commitment on the critical transportation challenges before the nation and before us, as representatives of state and local elected officials –

- Especially wanted to thank you for coming to the Minneapolis/St. Paul metropolitan area in April

Madame Secretary, I particularly want to acknowledge you for your new Congestion Initiative –

- Our State with the Met Council and the University of Minnesota submitted an application for an Urban Partnership Agreement (UPA), which is now pending before the Department.
- It is important that we continue to find ways to innovate to develop and refine solutions to the many transportation challenges before us.
 - Specifically, the key criteria for UPAs – tolling, transit, telecommuting and technology – are about adding to the toolkit for local governments, regions and MPOs and the states as we work to address congestion.
- I am optimistic that the Administration's Initiative and the Commission's recommendations will be of further help to these efforts.

General Comments

There are many transportation issues before the nation's mayors. This morning, I will direct my comments to several key areas, which we hope will guide your final report and its recommendations –

- First, *all of us in the transportation arena* – elected and appointed officials and advocates – *have to work to match what we say with what we do*;
- Next, *we must look for ways to eliminate the traditional silos between the modes* so we focus on responsive and integrated transportation solutions;
- Third, *it is time to strengthen commitments to metropolitan areas*, and their local government decision-makers, so they have more influence over how transportation resources are invested; and
- Finally, *we must respond to changing public views on transportation* – this means dealing with climate protection, the desire for more transportation choices and greater community livability, and the burden of household transportation costs.

First, our rhetoric must match our practices or what we say must match what we do, if we are to have any chance of convincing the public to support higher taxes and other commitments to transportation. This is an area where the Commission can play a key role in talking about the challenges and be forthright in assessing the current state of affairs.

We tout congestion as a top concern and often hear transportation leaders talk about how more money is needed to address it.

- But, our current practices often do not support this as a priority –
 - The one program – the *Congestion Mitigation* and Air Quality Improvement Program or CMAQ, which places emphasis on congestion through innovative and proven transportation measures – usually has the lowest obligation rate of the “core” highway programs.¹

¹ Obligation rate is the ratio of new spending authority in FY’06 divided by actual program obligations in FY’06. Only \$246 million in Highway Safety Improvement Program funds were obligated as compared to \$1.098 billion in apportioned HSIP funds.

- At the same time, CMAQ is now carrying a disproportionate share of the recent rescission orders² – more than \$1.6 billion has been cut from CMAQ accounts since February 2005.
- Here and in State Capitols, there is much debate about congestion, but federal law doesn't hold anyone accountable when allocation decisions send funds away from our nation's most congested areas.
- We have a federal financial system³ that could help inform decision-makers about this disconnect, but it is not readily available or publicized and FHWA doesn't analyze the data.
- There is evidence that some metropolitan areas are not even receiving the STP funds that federal law guarantees them.

There is much talk about safety:

- After all, the most recent federal law is called *SAFETEA-LU*.
- NHTSA data shows highway fatalities and pedestrian and bicycle fatalities are rising again.
- In most cases, we don't have basic performance requirements or even metrics in place to measure our progress on safety –
 - A simple measure would be to publicize how federal safety funds are expended.
 - We should be concerned that last year's obligation rate for the new Highway Safety Improvement Program was 22 percent.⁴
 - In addition to HSIP commitments, I would urge the Commission to review the status of obligations to other safety initiatives (i.e., new Safe Routes to School program and the new Rural Safety initiative), which I am sure will likely further amplify this point.

² Rescission of CMAQ balances since FY'05 total account for about 19 percent of total state rescissions, with some states (including those with areas not meeting applicable federal Clean Air standards) taking substantial amounts (e.g. up to 100 percent) of their rescission orders from CMAQ accounts.

³ Federal Highway Administration maintains the Fiscal Management Information System (FMIS) which can characterize in real time how federal highway funds are being expended, including county level data.

⁴ Historically, "Core programs" are: Bridge, Congestion Mitigation and Air Quality Improvement Program (CMAQ), Interstate Maintenance (IM), National Highway System (NHS), and Surface Transportation Program (STP). Under SAFETEA-LU, the new Highway Safety Improvement Program (HSIP) last year was added as a core program

And, there are other examples, such the many earnest public statements about crumbling infrastructure, as large amounts of bridge repair funds, especially local bridge funds, go underutilized and/or systematically rescinded.

Second, we know that the various federal transportation laws shape how we plan and finance major projects, often influencing our modal choices.

- What we often call the program or funding “silos” do result in investments that put decision-makers at odds with the public’s desires.

Within the Conference of Mayors, mayors for some time have been seeking a broader federal commitment to rail investment, including intercity passenger rail, local/regional rail and freight rail –

- We know that early one-third of all household auto miles are for long distance trips, according to data on the Commission’s website.
 - A larger commitment to new intercity passenger rail routes, and better service and frequency on existing ones, will make a difference in alleviating congested highway corridors.
 - Rail solutions for passengers and/or freight can be cheaper and faster than major highway expansions in many corridors, and certainly have other benefits that can’t be achieved with new highway facilities.
- As a leader in my region and state, I can imagine a high speed rail system between Minneapolis and Chicago, running through Rochester Minnesota, Madison and Milwaukee and connecting these and other cities with airports and other rail transit system.
 - This kind of rail link could dramatically reduce cargo congestion on our roads and at our airports and in our skies, leading to reductions in fossil fuel use and greenhouse gases.
- As you heard at the field hearing in Minneapolis, a top regional priority is the Norstar Corridor Commuter Line. We also have the Central Corridor Project in the pipeline.
 - The Mayors would like to echo earlier testimony before this Commission and underscore concerns about existing and proposed rules, such as those under the New Starts program.

- We are concerned that these changes could slow down or frustrate shared efforts to pursue new rail transit and other fixed guideway investments
- And, there are examples of worthy rail projects that are still orphans under our current program rules and funding structures.
- More broadly, we see that many European countries are showing us how a truly integrated passenger rail network – intercity connections, coupled with regional and local rail systems – can successfully shift trips away from congested highways and/or airports.
 - Energy and climate protection underlie this emphasis

Third, it is time to strengthen commitments to metropolitan areas, and their local government decision-makers –

- These are the areas which drive the U.S. economy – projections show that most of the nation’s future growth will occur in these areas
 - According to the Conference’s most recent Metro Economies Report prepared by Global Insight, the output of my region is greater than either Alabama or Oregon.
 - Compared to nations, it is larger than the output of the Czech Republic but somewhat smaller than Hong Kong.
- Our transportation program structure is not calibrated to the role of metro economies in underpinning U.S. economic output.
 - This Commission already knows that a majority of the nation’s freight movement, travel delays/congestion and air pollution is concentrated in the two dozen or so largest metropolitan areas.
- To illustrate further –
 - In 2005, the gross metropolitan product (GMP) of my region was about \$152 billion, accounting for about 63 percent of Minnesota’s gross state product (GSP)

- In the last fiscal year (FY'06), Minnesota received \$483 million in apportioned “core” program funding⁵, but only \$39.5 million of this total was specifically reserved to local decision-makers in my region through the suballocation features of the Surface Transportation Program (STP).
- This misalignment of transportation resources is something that this Commission needs to address in making its final recommendations.
 - This has been a problem in our state, where cities and counties in the urban areas own much of the highway and street network, including a big share of the Federal-aid System.
 - Our state, like most others, has sought to avoid raising gas taxes, choosing instead to borrow funds and spend down future program resources (e.g., traditional state debt, GARVEE bonds, and Advance Construction).
 - Our State has been focusing its dollars on state-owned highways and often choosing a set of transportation solutions that rely on improvements to state facilities.
 - At the same time, local officials are under pressure to raise their funding commitments to transportation, but our primary tool is the property tax, which is the least popular revenue source among governmental tax options.
 - State voters in the November election raised our commitments to transit and highway investment by redirecting existing tax revenues to transportation.
 - How you address metropolitan and local government priorities in your report and its recommendations will be a crucial in shaping the support of the nation’s mayors for this effort.

Finally, we must respond to changing public views on transportation, even if they doesn’t line up with what transportation professionals and transportation providers are telling this Commission.

- There are certain issues that motivate the public, and increasingly you see the environment emerging as a top concern, largely driven by the public desire to do something about climate protection.

⁵ Apportioned funding to Minnesota in Fiscal Year 2006 for the six core programs was \$455.4 million, along with another \$37.8 million in unprogrammed Equity Bonus funds, for a total of \$483.2 million; suballocated STP funds of \$39.5 represent about eight percent of total core program funding to the state.

- We know that protection of open spaces and parks, clean air and clean water are values that are important to the public, but concerns about global warming have really taken hold.
 - This issue was barely on people's mind a few years ago and certainly was not linked to transportation.
 - Today, it is on the minds of voters and they know that our transportation activities, including related land use practices, are a big part of the problem and a part of the solution.
 - Within the Conference, more than 530 mayors have signed on to the U.S. Mayors Climate Protection Agreement – cities representing more than 66 million Americans.
 - Yet, you routinely hear transportation experts and advocates simply dismiss this issue or talk about it as if it is another burden on the federal program.
 - But, the fact remains that mobile sources are big contributors to greenhouse gases – about 1/3 in my state.
 - In many large metro areas, the transportation sector is the leading source of emissions, including some areas where it represents more than half of all emissions.
 - In Minneapolis and in cities throughout the U.S., citizens are becoming more interested and committed to supporting leaders and investment strategies that will help address this issue.

- I mentioned earlier that voters in Minnesota approved a referendum redirecting an existing tax in support of transit and highway investment.
 - It is clear that a key part of the measure's success was the dedication of funds to transit expansion – under the question, at least 40 percent of the revenues must be expended on transit.
 - But, the potency of transit grows stronger when these investments are also linked to climate protection.
 - The runaway success of our new Hiawatha light rail line has had a significant impact on public attitudes in our region and in the State Capitol, prompting more debate and interest on expanding transit.

- In addition to climate protection, there are other similar examples where the public expressing their views, such as:
 - Growing desires for greater travel options, most often expressed as expanded transit services;
 - Rising demands for improved access and safety for pedestrians and bicyclists, especially children, seniors and transit users;
 - Increasing consensus on the need for more TOD, smarter development and wiser use of our land and financial resources; and
 - Developing interest in finding investments that can help families and individuals save money on their transportation costs.

- The point here is that responding to the public – with investment strategies and even more specific proposals that respond to the public’s desires – can motivate voters to step up and support transportation measures.
 - It seems that there are large segments of our transportation advocacy community that wants to tell voters what they want, rather than listening and responding to their wishes.

I would simply close my comments this morning by encouraging you to give close attention to the view of mayors and others on this panel as you work to develop the Commission’s final report and recommendations.

Thank you for giving me the opportunity to present the views of the nation’s mayors.