



U.S. House of Representatives
Committee on Transportation and Infrastructure

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June 23, 2008

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SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Highways and Transit

FROM: Subcommittee on Highways and Transit Staff

SUBJECT: Hearing on "Connecting Communities: The Role of the Surface Transportation Network in Moving People and Freight"

PURPOSE OF HEARING

The Subcommittee on Highways and Transit is scheduled to meet on Tuesday, June 24, 2008, at 10:00 a.m., in room 2167 of the Rayburn House Office Building to receive testimony on the role of the surface transportation network in connecting the nation and facilitating passenger and freight mobility and access. This hearing is part of the Subcommittee's effort to prepare for the reauthorization of federal surface transportation programs under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users ("SAFETEA-LU"), which will expire in September 2009. The Subcommittee will hear from two Secretaries of Transportation from largely non-urbanized states, a General Manager of a small urban transit agency, a Director of State Government affairs for a busing company, an Executive Director for a regional planning agency, and an Executive Director for a paratransit provider.

BACKGROUND

Small urban and rural America is now home to 56 million residents in 2,303 non-metropolitan counties, as well as 35 million more residents living in rural settings on the fringes of metropolitan areas. Smaller regions face unique challenges which must be addressed if the nation's interconnected surface transportation network is to continue to be the backbone of our economic development, global competitiveness and quality of life.

The condition and performance of rural and small urban roadways and public transit services is critical to the overall functioning of the nation's intermodal transportation system. The surface transportation network in these smaller communities is essential to a fully integrated and seamless intermodal surface transportation network, connecting rural communities to urban centers,

providing access to recreation opportunities and tourism destinations, facilitating interstate commerce and farm-to-market access. Roadways and public transportation services are also critical to the economic development and quality of life in small communities, providing vital links to educational and employment opportunities, as well as access to social services.

Interconnected Roadways Network

The Federal-Aid Highway Act of 1956 established the Interstate Highway System, which was designed to connect metropolitan areas, cities, and industrial centers. The 46,500 mile network of interconnected highways transform the nation and the economy, and—according to the Federal Highway Administration (“FHWA”)—facilitates “the distribution of virtually all goods and services and much of the nation’s business and pleasure travel involve Interstate Highways at some point.”

Similarly, the 163,000-mile National Highway System (“NHS”), 112,998 miles of which are classified as rural, is critical to the effective functioning of the surface transportation network and the intermodal freight supply chain. While the NHS makes up only 4.1 percent of total U.S. mileage, it carries 45 percent of vehicle miles traveled, including 75 percent of heavy truck traffic and 90 percent of tourist traffic. NHS bridges carry an even greater percentage of total travel. NHS bridges carry more than 70 percent of all traffic on bridges.

There are 4 million miles of public roads in the United States, with 2.9 million of these roadways classified as rural. Only about 980,000 miles of these roads are part of the Federal-aid Highway System. According to the U.S. Department of Transportation (“DOT”), approximately 80 percent of rural roadways are owned and operated by local entities. With over 82 percent of the nation’s communities solely dependent on trucking for the delivery of goods and commodities, these lower functionally classified roadways are an integral part of the nation’s surface transportation network. An analysis conducted by The Road Information Project (“TRIP”) found that the use of rural roads increased by 27 percent between 1990 and 2002 by all vehicles and by 32 percent for large commercial trucks.

The growth in passenger and freight traffic and commerce in these areas has raised numerous challenges for rural and other non-urban communities. Chief among these is the safety of roadway facilities in these areas. According to the National Highway Traffic Safety Administration’s (“NHTSA”) Fatality Analysis Reporting System (“FARS”), in 2006, 23,339 people were killed in rural motor vehicle crashes, 55 percent of all motor vehicle fatalities. The fatality rate for rural crashes is more than twice the fatality rate in urban crashes.

There are numerous causes for this high fatality rate. A May 2004 General Accounting Office report found a number of key factors contribute to rural road deaths: human behavior, roadway environment, vehicles, and medical care after a crash. The report found that many of these roadway facilities lack important safety features that could mitigate the severity of rural crashes.

Many smaller communities are also beginning to face dilemmas common to major metropolitan regions, including declining air quality and increasing roadway congestion. Traffic congestion in small urban and rural areas is increasing 11 percent per year—twice the rate in urban areas. The overall number of Americans living in areas with substandard air quality will increase

seven percent by 2009, spreading the air-quality burden increasingly across small urban and rural as well as urban areas.

Federal Highway Funding and Resources for Non-Urban Areas

These regions and communities face significant challenges generating the resources necessary to address their surface transportation investment needs. Approximately one-third of rural interstates and other rural arterials are in poor or mediocre condition, and more than one-fifth of all rural bridges are deficient. The size of the rural roadway network, combined with low population density and relatively low traffic volumes, makes it difficult to generate the revenues necessary to pay for high cost roadway improvements.

Currently, about 24 percent of the nation's 4 million miles of public roads are eligible to receive Federal aid. Generally, Federal assistance is available for Interstates, NHS routes, arterials and major collectors. The Federal aid highway program has few programs focused exclusively on investment needs of non-urban areas. For the most part, under the Federal aid highway program, rural and non-urban roadways and bridges compete with urban facilities for capital investments within the state.

While not exclusively focused on rural roadways, facilities in these smaller communities are eligible to receive federal funding under a number of programs, including: Interstate Maintenance, the Surface Transportation Program, Highway Bridge, the National Highway System, National Corridor Infrastructure Improvements, Coordinated Border Infrastructure, Safe Routes to Schools, Ferry Boat, and Projects of Regional and National Significance.

The Highway Bridge Program provides funding to enable States to improve the condition of their highway bridges through replacement, rehabilitation, and systematic preventive maintenance. The program includes a 15 percent set-aside for "off-system" bridges in each of Fiscal Years 2005 through 2009 to be used for bridge projects that are not on a Federal-aid highway. This set-aside used to include a maximum amount of 35 percent, but SAFETEA-LU lifted that ceiling. The current SAFETEA-LU authorization for this program is over \$21 billion through FY 2009, with approximately \$3.2 billion set aside for "off-system" bridges.

SAFETEA-LU also created the Highway Safety Improvement Program ("HSIP"), which included a set-aside for construction and operational improvements on high-risk rural roads. High-risk rural roads are roadways functionally classified as rural major or minor collectors or rural local roads with a fatal and incapacitating injury crash rate above the statewide average for those functional classes of roadways; or likely to experience an increase in traffic volume that leads to a crash rate in excess of the average Statewide rate. The set-aside will total \$360M through Fiscal Year 2009 and be applied proportionally to the States' HSIP apportionments. If a State certifies that it has met all its needs relating to construction and operational improvements on high-risk rural roads, it may use those funds for any safety improvement project eligible under the HSIP

There are also a number of programs that provide investments primarily in rural and non-urban regions. These include: Federal Lands Highways (which includes: Indian Reservation Roads, Park Roads and Parkways, Public Lands Highways (discretionary and Forest Highways), and Refuge Roads), Appalachia Development Highway System, and Scenic Byways.

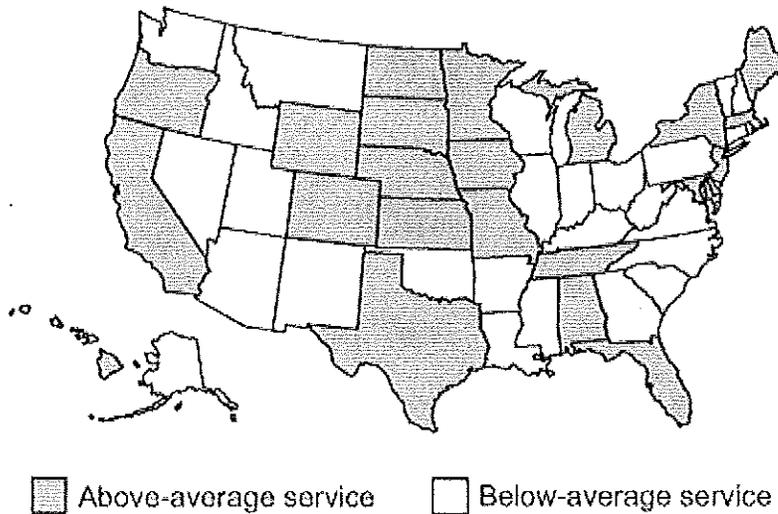
Public Transit Services in Rural Areas

Public transportation is available in approximately 60 percent of all rural counties nationwide although 28 percent of those counties have very limited service. According to the Commission, over 1,200 transit operators provide service in rural areas. However, about two-thirds of these rural transit systems operate within single counties or towns, thereby limiting riders' access to areas outside their own county or town. The majority of rural transit providers are public agencies, while one third are nonprofit agencies and only five percent are private companies or tribal entities.

According to the U.S. Census Bureau, overall usage of transit services in rural America is not high, with only about a half of one percent of non-metro residents using transit as their primary means of transportation to work. However, in many smaller communities with both longer distances between built-up areas and low population densities, transit can help bridge the spatial divide between people and jobs, services, and training opportunities. The National Surface Transportation Policy and Revenue Commission's ("Commission") Report concludes that public transportation in rural areas is vital to providing access to essential human services for those who do not have access to automobiles.

Unfortunately, many rural areas lack public transportation services entirely. In those communities that do have rural transit systems, the services provided vary widely among states and regions of the country. Following is a chart depicting above- and below-average rural transit services across the United States.

The rural Midwest is well served by public transit



Source: Community Transportation Association of America.

Although above-average rural transit systems may meet the mobility needs of the local traveler, broader connectivity remains a challenge. Rural transit service often stops at the county line, creating disconnects within rural regions and between rural and urbanized areas. For example, an individual using a county-based transit system to visit a medical facility in another county cannot connect seamlessly with another county-based transit system unless the full range of stakeholders from across the region (including system owners, operators and users) are actively involved in a

coordinated planning process. A key issue for rural planners, and thus, state DOTs, is whether the assortment of county transit operations can be unified to provide a seamless system of transit beyond the local community so as to provide better transit connections for all citizens.

Federal Transit Funding and Resources for Rural Areas

Since 1979, FTA has provided formula-based grants to states to establish and maintain transit systems in rural communities. The Formula Grants for Other Than Urbanized Areas, codified at 49 U.S.C. § 5311 (also known as the “rural transit program”) provides transit capital and operating assistance for communities with populations under 50,000. 80 percent of the rural transit program funds are allocated by a formula based on population, while the remaining 20 percent of funds are distributed through a tier-based formula based on land area. \$438 million is authorized for the rural transit program during fiscal year 2008, and an additional \$68 million will flow to rural communities in FY 08 from the Growing State Apportionments under § 5340.

The Secretary annually approves a state program of eligible rural transit projects based on equitable distribution of the funds to rural communities and ensuring maximum feasible coordination with other rural transportation services. To encourage coordination among federal agencies that provide transportation services, matching funds may be provided from federal agencies other than the Department of Transportation; Federal Lands Highway funds, though part of the Department of Transportation, may also be used as matching funds.

Within the rural transit program exists a requirement that a state expend at least 15 percent of its rural transit formula funds to develop and support intercity bus transportation. Known as the rural intercity bus program codified at 49 U.S.C. § 5311(f), this provision has helped stem the decline in bus service to rural communities. Congress authorized this formula-based funding in response to the abandonment of unprofitable routes and a general loss of bus service, particularly in rural areas.

Eligible activities under the rural intercity bus program include planning and marketing for intercity bus transportation; capital grants for intercity bus shelters; joint-use stops and depots; operating grants through purchase-of-service agreements, user-side subsidies, and demonstration projects; and coordinating rural connections between small public transportation operations and intercity bus carriers. The statute also requires each state to consult with intercity bus service providers before they can certify that intercity bus service needs of the state are being adequately met without making the 15 percent allocation of funds to such services.

An important training, technical assistance and outreach resource provided in law for rural communities is the Rural Transit Assistance Program (RTAP) funded with a 2 percent set-aside of the Section 5311 grant funds. Since 1987, RTAP has developed and distributed free training materials, provided technical assistance and conducted research with the goal of improved mobility for the millions of Americans living in rural communities.

Federal Transit Funding for Small Urban Areas

Federal funding to support public transportation systems in smaller urban areas is available through the Urbanized Area Formula program codified at 49 U.S.C. 5307. The Urbanized Area

program is the largest of the FTA programs, with an authorization of \$4,555,615,000 for FY 2009. Approximately 10% of these formula funds are allocated to small urbanized areas, defined as those areas with populations between 50,000 and 199,999.

Urbanized Area funds are allocated through a series of tiers, depending on population size. Unlike large urbanized areas (those over 200,000 in population) that receive their formula allocations directly, small urbanized areas do not directly receive these funds. Instead, the formula allocations attributable to small urbanized areas are apportioned to the Governor of the respective state, who may distribute the funds based on the Federal formula or according to their own discretion or formulas. As a result, one criticism of the way in which small urban area funds are allocated is that funds do not always flow to the targeted area and are sometimes used by the state elsewhere. But in practice, many states do simply "pass through" the formula allocations to the small urbanized areas, in part because the amounts attributable to each small urbanized area are published annually in the Federal Register. In addition, if the small urbanized areas are part of a designated Transportation Management Area, then the formula funds attributed to the area must be obligated within the small urbanized area with no exceptions.

The typical transit system serving a small urbanized area generally has different characteristics from those serving large urbanized areas. The types of transit modes most often found in smaller urban areas are bus systems, demand response services, and in a few smaller cities, streetcars. These smaller systems generally operate at lower frequencies than transit systems in large cities, and in small cities, the focus is often on providing basic mobility for residents whose access to auto transportation is limited by age, income, or disability.

Rural and Small Urban Transportation Planning

The statewide planning process establishes a cooperative, continuous, and comprehensive framework for making transportation investment decisions throughout the State and is administered jointly by the Federal Highway Administration and the Federal Transit Administration. Current law requires that the Statewide Plan and program shall be developed in consultation with affected local officials with responsibility for transportation in non-metropolitan areas. This consultation process must be documented in writing, though it is not reviewed or approved by the Secretary. Three of the so-called "State-managed" transit programs, including section 5310 elderly and disabled formula grants, section 5316 job access and reverse commute grants, and section 5317 new freedom program grants require State departments of transportation to fund public transportation projects only if they are derived from a locally developed, coordinated public transit-human services transportation plan. And the State-managed section 5311 non-urbanized area formula grants program requires that all projects receiving grant funds must be part of a State program for public transportation service projects, including agreements with private providers of public transportation service. The State Planning and Research program is funded by a 2 percent set-aside from each State's apportionments for the Interstate Maintenance, National Highway System, Surface Transportation Program, Congestion Mitigation and Air Quality Improvement, the Highway Safety Improvement Program, and Bridge programs. Statewide planning is an eligible activity for additional funding under the STP and NHS programs.

In metropolitan areas, the responsibility for transportation and land use planning lies with designated Metropolitan Planning Organizations ("MPOs"). In rural areas, no one official body is

designated as the primary transportation planning organization, and often times no MPO exists to serve these smaller communities. As a result, rural transportation planning varies widely across the nation. In some states, the State Department of Transportation conducts planning for these areas, while in other states, Rural Planning Organizations or regional, county or city governments do so. As a result, the planning process is not as cohesive for rural areas, and all the necessary stakeholders in rural areas are not always involved in the transportation planning process. Neglecting rural stakeholders in public involvement can result in a transportation system that does not address the long-term needs of the region and can result in delays in the funding and implementation of capital and operating strategies to improve regional mobility.

PREVIOUS COMMITTEE ACTION

On January 24, 2007 the Subcommittee on Highways and Transit met to hear testimony on the Surface Transportation System: Challenges for the Future.

On May 10, 2007 the Subcommittee on Highways and Transit met to hear testimony on the Federal Transit Administration's Implementation of the New Starts and Small Starts Programs.

On September 5, 2007 the Subcommittee on Highways and Transit met to hear testimony on Structurally Deficient Bridges in the United States.

On January 17, 2008 the Committee on Transportation and Infrastructure met to hear testimony from the National Surface Transportation Policy and Revenue Study Commission regarding the release of their report: "Transportation for Tomorrow."

On February 13, 2008 the Committee on Transportation and Infrastructure also met to hear testimony from the National Surface Transportation Policy and Revenue Study Commission regarding the release of their report: "Transportation for Tomorrow."

On June 5, 2008 the Subcommittee on Highways and Transit met to hear testimony on Maintaining our Nation's Highway and Transit Infrastructure.

WITNESSES

The Honorable Jim Lynch
Director and CEO
Montana Department of Transportation
Helena, MT

The Honorable H. B. Limehouse, Jr.
Secretary
South Carolina Department of Transportation
Columbia, SC

Mr. Mark Pangborn
General Manager
Lane Transit District
Eugene, OR

Mr. Terry Bobrowski
Executive Director
East Tennessee Development District
Alcoa, TN

Mr. Randy Isaacs
Director of State Government Affairs
Greyhound Lines, Inc.
Hendersonville, TN

Mr. William P. McDonald
Executive Director
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Rochester, NY