

CONNECTIONS

The Newsletter of the NATIONAL TRANSPORTATION ENHANCEMENTS CLEARINGHOUSE

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Senate Passes ISTEA-2

Set-Aside for Enhancements Maintained

After considerable wrangling over formula issues and amendments that threatened ISTEA's environmental programs, the Senate approved S. 1173 (*ISTEA-2*) which provides for \$214 billion in transportation authorizations over the next six years, a 38 percent increase over ISTEA.

A setback for the Transportation Enhancements (TE) program was avoided in S. 1173 when no action was taken on an amendment proposed by Senator Sam Brownback (R-KS). Brownback's amendment would have allowed states to petition USDOT for permission to opt out of the TE program.

"Past surveys and focus groups have indicated, clearly, that many of our partners believe that an optional program for TE would not be the appropriate approach at this time," noted Harold Peaks, Community Impacts and Transportation Enhancement Team Leader at the Federal Highway Administration. "Many states are now enjoying the improvements in public relations that successful TE projects have brought, and now recognize the benefits that can be derived from a well supported effort," added Peaks.

ISTEA-2 would make a total of \$3.8 billion available for TE projects, an increase of 46 percent. This is achieved despite the fact that the bill reduces the TE program set-aside from ten to eight percent of Surface Transportation Program funding. Annual TE funding would jump from approximately \$430 million a year under ISTEA to \$640 million under *ISTEA-2*. The bill's increased funding was achieved by an addition of \$31 billion to the original S. 1173 authorization levels proposed by the Environment and Public Works Committee.

(continued on page 2)

House Passes *BESTEA* TE Activity Categories Modified



Spurred by Senate action on *ISTEA-2*, the House passed *BESTEA* (H.R. 2400) at the end of March. Like *ISTEA-2*, the *Building Efficient Surface Transportation and Equity Act*, significantly increases funding for the Transportation Enhancements (TE) program. However, it does not include any of the Senate's TE streamlining language (see story, page 2) and proposes a number of changes to the ten TE activity categories.

BESTEA makes available an average of \$650 million in TE funds annually — \$3.9 billion over six years. It keeps the TE share of the Surface Transportation Program at ten percent, but makes 50 percent of all TE funds over \$450 million annually available for transfer to highway programs at the

state's discretion.

Two new TE activity categories are proposed and two existing categories are modified.

New:

- provision of safety and educational activities for pedestrians and bicyclists
- provision of tourist and welcome centers

Modified:

- Category 4: Landscaping and other scenic beautification, including removal of graffiti and litter to the extent that such removal is in excess of fiscal year 1997 maintenance levels for removal of graffiti and litter
- Category 10: environmental mitigation to address water pollution due to highway runoff or reduce vehicle-caused wildlife mortality while maintaining habitat connectivity.

Additionally, among the \$9 billion *BESTEA* slates for Demonstration Projects (sometimes referred to as Congressional earmarks or "pork") are 107 Enhancements projects totaling \$254 million.

...providing information services to Transportation Enhancement program professionals & project sponsors

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Enhancements stakeholders have now turned their attention to the huge increase in funding that the measure provides for the TE program.

“We are pleased that the Senate retained the hugely popular Transportation Enhancements program and other important environmental programs in ISTEA,” stated Peaks.

Meg Maguire, the President of Scenic America, responded, “ISTEA-2 offers a wonderful opportunity for local communities to preserve their distinctive scenic heritage. Citizens who care about the appearance of their communities must be at the table when state DOTs make TE decisions, if they want to guarantee funding for scenic and historic highway projects, removal of nonconforming billboards, and acquisition of scenic easements.”

Ed Norton, Vice President for Law and Public Policy at the National Trust for Historic Preservation added, “S.1173 is a big victory for historic preservation interests. Despite the sustained and misinformed assault on the TE program waged by program opponents over the past two years, the Senate chose to keep each of the original ten TE categories intact. We congratulate the Senate for recognizing both the need and value of historic preservation activities as part of a full mix of transportation enhancements.”

ISTEA-2 Improves TE Program

The Senate’s bill includes three changes to the TE program that would enable states to offer project sponsors a more customer-friendly approach to project implementation: 1) dropping requirements for the Advance Payment Option, 2) making the Alternative Share provisions permanent, and 3) adding a clarification to TE category 3 — Scenic and Historic Highway Programs.

1) The *advance payment option* was made available as a result of the 1995 National Highway System Designation (NHS) Act, to enable states to advance federal TE funds to cash-strapped project sponsors who themselves are paying TE engineering or construction contractors. *ISTEA-2* would eliminate the requirement that states use an advisory committee with representatives from the public for TE project selection, as a condition for exercising the *advance payment option*.

2) *ISTEA-2* would make permanent the innovative finance provision initiated in April 1995 known as *Alternative Share*. *Alternative share* allows states to undertake TE projects using *100 percent federal* funds.

By allowing TE projects to be structured using federal funds for 100 percent of a project’s cash requirements, funds from any non-USDOT Federal agency, and a wide variety of other contributions that the Secretary determines are of value, are considered over and above the 100 percent federal share, but are still credited as local match.

Additionally, states are allowed to account for traditional matching funds on a multiple project, or program-wide basis, so that over-match on some projects can allow under-match on others, as long as the state’s total authorized non-federal share requirement is met.

In general, the Alternative Share provisions have allowed states to give themselves and local agency project sponsors a wider range of options for meeting the general requirements for a non-federal project buy-in.

3) TE Activity Category 3 would be changed to read: *Scenic or Historic Highway Programs (including the provision of tourist and welcome center facilities)*.

For more information about how Alternative Share or any of the Senate provisions could affect TE project implementation, please contact the Clearinghouse toll free at 1-888-388-6832.

New NTEC Resources

Available Free from the Clearinghouse

To order call, fax, or e-mail us at the numbers provided on the front or back of this newsletter.

- **SUMMARY OF NATIONWIDE TRANSPORTATION ENHANCEMENT SPENDING: DECEMBER 1997 UPDATE**, from Rails-to-Trails Conservancy. This 14 page statistical summary allows the reader to evaluate the TE program accomplishments nationally as well as the performance of each state’s Transportation Enhancement program.
- **VISUAL DATABASE OF TRANSPORTATION ENHANCEMENTS (2ND EDITION)**, from the FHWA and Antares Group. This CD-ROM was just released in December 1997 and features photographs, video clips and project information from over 300 TE projects nationwide.
- **IMPROVING CONDITIONS FOR BICYCLING AND WALKING: A BEST PRACTICE REPORT**, authored by the Rails-to-Trails Conservancy and the Association of Pedestrian and Bicycle Professionals, for FHWA. This full color, 48 page booklet highlights 37 of the best bicycle and pedestrian projects and programs around the country (including contact info), and includes more than 50 photos.

RTC Releases New Enhancements Report

TE spending for bicycle, pedestrian and trail projects is now almost \$1.2 billion, according to the December 1997 Update of the *ISTEA Transportation Enhancements Summary of Nationwide Spending*, released January 27, 1998, by Rails-to-Trails Conservancy (RTC).

If funding levels are any indication, the report shows that rail-trails, greenway trails and other types of multi-use pathways are the single most popular type of Enhancements project. As of September 30, 1997, fully thirty-five percent of TE funds programmed under ISTEA were slated for trails...\$898 million. Historic preservation projects received \$618 million and scenic beautification projects received \$460 million.

RTC's *December 1997 Update* also found that only eighteen states had TE obligation rates above 75 percent. A year ago, in February 1997, FHWA's then Acting Administrator, Jane Garvey, challenged the states to end fiscal year 1997 with more than three-quarters of their TE funds obligated. As ISTEA expired, September 30, 1997 the national TE obligation rate was at an all time high 65 percent, but still short of reaching Garvey's goal. For comparative purposes, the National Highway System, Interstate Maintenance, and Bridge programs all have obligation rates over 90 percent.

Bike Commuting Rate Doubles

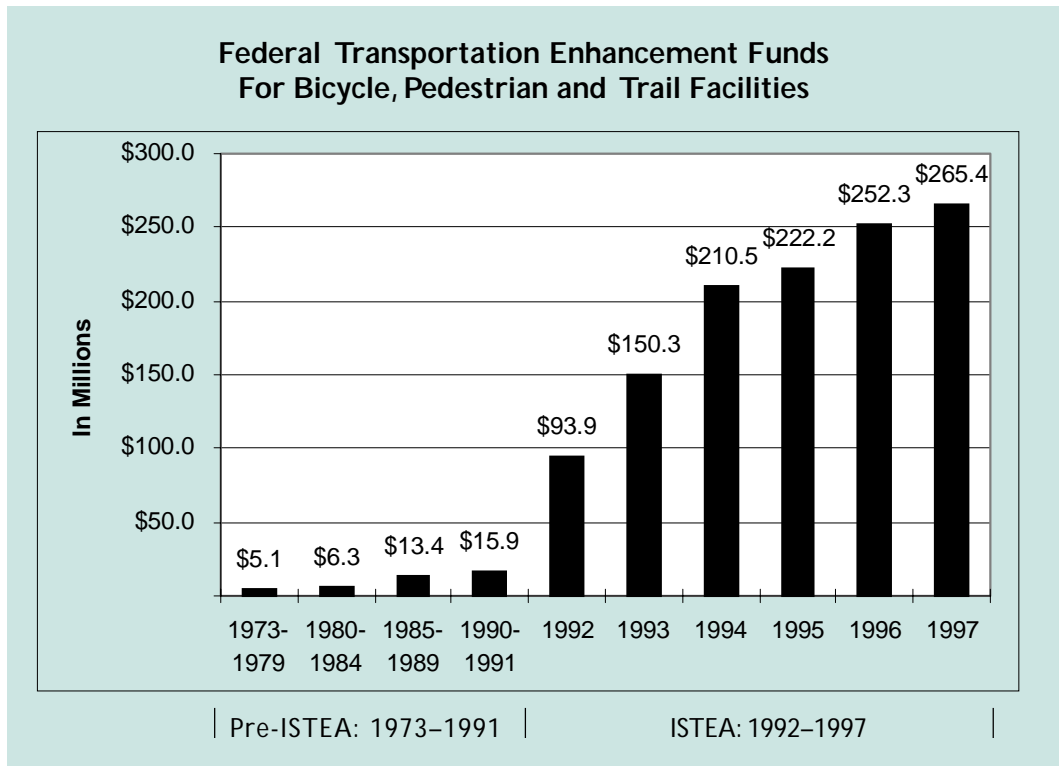
In May, dozens of cities across America will host "bike to work days" as they celebrate National Bike Month. While most observers of transportation trends are familiar with the increased numbers of people driving to work alone, they may not know that bicycle commuting has also experienced enough growth to gain some attention.

The number of bicycle commuters in the U.S. has doubled in the past eight years to a total of seven million, according to a study titled, *The Commuting Market*, conducted by Elliot Gluskin, a market research analyst for the bicycle industry.

Gluskin's study was reported in the December 7, 1997 issue of *Bicycle Retailer & Industry News*. The study also cited the Rodale Press's *Pathways for People* (1992 and 1995) findings that if bicycle facilities were safer and more prevalent, as many as 29 million Americans would use a bicycle frequently for commuting to work or school.

The growing trend of increased bicycle commuting has forced the bicycle industry and shop owners to take notice. Gluskin also estimates that the market for serving bicycle commuters represents over \$4.4 billion in future sales.

These numbers should be encouraging to transportation professionals and bicycle advocates as well. It may not be a coincidence that during the same period that bicycle commuting levels doubled, funding for building more and safer bicycle facilities shot up significantly under ISTEA (see bar graph at left). Continued federal funding for bicycle facilities can ensure that the travel preferences of 29 million *would-be* bicycle users will be realized.



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ISTEA Extension Act Set To Expire May 1ST

On May 1, 1998, the Surface Transportation Extension Act (dubbed *Short-Tea*) expires. President Clinton signed *Short-Tea* into law December 1, 1997, releasing \$5.5 billion in new money to the states for ISTEA programs. About \$163 million of the new funds were dedicated to Transportation Enhancement (TE) activities.

In addition to providing new money, *Short-Tea* introduced new transferability provisions for TE funds. Between December and May 1, 1998 states can transfer any new funds or unobligated balances **from** any ISTEA program **to** any other program. For example, funds could be transferred from a state's Enhancements account to its National Highway System (NHS) account to fund a highway construction project.

Short-tea calls for restoration of all transfers upon enactment of a new long-term authorization bill, essentially making the transfers loans. Following suit, both *BESTE*A in the House and *ISTEA-2* in the Senate reaffirm that all transfers made under *Short-Tea* shall be restored under a new bill.

The Surface Transportation Policy Project, Rails-to-Trails Conservancy (RTC), and others alerted local

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Connections is published bimonthly. *Connections* staff welcomes submissions of articles regarding Transportation Enhancements, as well as letters and other comments.

ISTEA advocates and stakeholders to closely monitor any state funding transfers. RTC wrote to the CEO of each state Department of Transportation in mid-December asking if they planned to use the transferability provisions to transfer funds designated for Transportation Enhancements projects.

As of March 23, 1998, Hal Hiemstra, RTC Vice President for National Policy reports that response to the letter was fair. "We have heard from twenty-one states. South Dakota was the only one that suggested that they might actually transfer TE funds. Ten states expressed general support for the TE program but were non-committal on transfers. Another ten states voiced their strong support for the TE program, and their commitment not to transfer funds," said Hiemstra.

Rails-to-Trails Conservancy has made the letters available to the National Transportation Enhancements Clearinghouse. Readers may contact the NTEC for a summary report and copies of the states' letters.

Resources

Available from FHWA

- The Federal Highway Administration has released **FLEXIBILITY IN HIGHWAY DESIGN**. The 134 page guide discusses opportunities in current laws and regulations that allow flexible design approaches in order to protect important community interests without compromising safety. Copies are available from the Federal Highway Administration. Call: 202-366-0106 to order.