

A Summary

**AIR QUALITY
PROGRAMS AND
PROVISIONS**

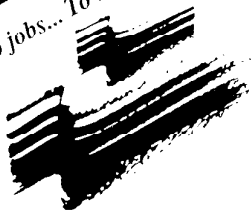
**of the
Intermodal
Surface
Transportation
Efficiency
Act of 1991**



U.S. Department
of Transportation

**Federal Highway
Administration**

Moving America
To jobs... To homes... To market



**MESSAGE BY
ADMINISTRATOR T.D. LARSON**



As we approach the 21st century, the transportation community is confronted by challenges as never before. Our mobility, which is essential to the Nation's economic and social well-being, is threatened by gridlock and the absence or

inadequate condition of needed facilities. At the same time, legitimate environmental concerns about the impact of transportation improvements have made the already complicated task even more difficult.

This dual challenge is illustrated by the Clean Air Act Amendments of 1990 (CAAA) and the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). The CAAA, which the President signed on November 15, 1990, is essential to our effort to control air quality problems. Because emissions from motor vehicles contribute to air pollution, transportation officials must make a commitment to programs and projects that will help achieve national air quality goals. Although the CAAA is vitally important, it did not provide

significant funding to carry out these programs and projects.

That's where the ISTEA comes in. The President signed it on December 18, 1991, launching the first major restructuring of the Nation's surface transportation programs (highways and transit) since the start of the Interstate era in 1956. State and local officials now have an unprecedented range of choices for meeting their transportation needs. The ISTEA complements the CAAA by providing funding and the flexibility to use it in ways that will help us improve air quality through the development of a balanced, environmentally sound, intermodal transportation program.

The CAAA, with its ambitious standards and deadlines, places heavy accountability on State and local governments. At the same time it allows them a great deal of discretion in making the policy choices — for example, on land use and on our assumptions about how we go about the business of transportation in the late 20th century — to achieve improved air quality. The ISTEA, which gave State and local officials increased flexibility in transportation funding, underscored their responsibility.

But ISTEA funding and changes in transportation patterns alone cannot solve the problem. Emissions reductions from transportation infrastructure investments are small. Greater mobile source emission reductions, particularly in the more serious nonattainment areas, will have to come from reducing the use of the automobile for all trips, including non-work trips. Consequently,

State and local elected officials will need to have the political will to make the tough decisions that will be necessary to adopt and implement the kinds of transportation control measures (TCMs) that will reduce the use of the single-occupant vehicle (SOV). In addition, States will need to aggressively pursue technological improvements for fleets that can make a difference, such as enhanced inspection and maintenance programs and alternative fuels.

Together, the CAAA and the ISTEA give officials the imperative and the resources to address air quality problems while they are still manageable — now, in the 20th century, instead of waiting for the 21st. However, both statutes are complex. This brochure is intended to help State and local officials understand how they can use the ISTEA's provisions to address air quality problems. A separate brochure will focus on the transportation implications of the CAAA.

Congress and the President, through these bold, forward-looking legislative initiatives, have given us the means to meet the challenge of improved air quality. Now it falls to all of us to get the job done. The Department and the Federal Highway Administration stand ready to assist you, our partners, in whatever way possible.

I encourage you to read this brochure as your guide to legislation that gives **you** the tools to make a difference. Then, together, I invite you to join in a combining effort to ensure that we meet the challenge squarely, effectively ensuring a cleaner, safer quality of life for coming generations.

CONTENTS

Overview	5
Funding Flexibility	6
Increased Funding Levels	10
Strengthened Planning Process	12
Strengthened Role of Metropolitan Planning Organizations	16
New Congestion Mitigation and Air Quality Improvement Program	16
Miscellaneous Provisions	18
Conclusion	20

OVERVIEW

The Federal Highway Administration (FHWA), with the release of its Environmental Policy Statement on April 20, 1990, revitalized its commitment to “. . . work vigorously to preserve and, where practicable, enhance our environment.” A few months later, on November 15, the President signed the Clean Air Act Amendments of 1990 (CAAA), landmark legislation that has challenged the FHWA and the entire transportation community to meet that commitment by developing projects and programs that contribute to improved air quality.

Among the goals of the CAAA are providing for greater integration of the transportation and air quality planning processes; ensuring that transportation plans, programs, and projects conform with the State air quality implementation plans and contribute to attainment of the national ambient air quality standards (NAAQS); and reducing the growth in vehicle-miles-travelled and congestion levels in areas that have not attained the Environmental Protection Agency’s air quality standards.

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), which the President signed on December 18, revamps the Nation’s surface transportation programs (highways and transit) in a way that gives State and local officials added tools to improve air quality. These tools include increased funding, unprecedented flexibility to select the best mix of projects to meet local needs (whether highway, transit, or alternatives such as

high-occupancy vehicle lanes or bicycling), and enhanced metropolitan and statewide planning requirements.

This pamphlet summarizes the ISTEA provisions that can best help State and local officials as they work toward the CAAA's air quality goals. This summary is divided into six categories:

- Funding Flexibility
- Increased Funding Levels
- Strengthened Planning Process
- Strengthened Role of Metropolitan Planning Organizations
- New Congestion Mitigation and Air Quality Improvement Program (CMAQ)
- Miscellaneous Provisions

FUNDING FLEXIBILITY

One of the most important features of the ISTEA is the flexibility it gives State and local officials in choosing among highway, transit, and other transportation alternatives. This flexibility will help State and local officials to choose the best mix of projects to address air quality without being influenced by rigid Federal funding categories or different matching ratios that favor one mode over the other.

Highway Program:

Surface Transportation Program and the National Highway System. While retaining programs from previous transportation legislation for bridges and interstate maintenance of highways with minor modifications, the ISTEA restructures the Federal-aid highway program by creating two broad funding categories.

- The **Surface Transportation Program (STP)** is funded at \$23.9 billion over 6 years with an 80% Federal share. This is the largest program in the ISTEA and is highly flexible, providing broad discretion for State and local governments to fund a wide variety of activities which could contribute to cleaner air. These activities can include highway and transit capital projects, carpool projects, bicycle and pedestrian facilities, planning, and research and development.
- The **National Highway System (NHS)** is funded at \$21 billion over 6 years with an 80% Federal share. Its purpose is to focus resources on roads that are most important to interstate travel and national defense, roads that connect with other modes of transportation, and roads that are essential for international commerce. Funds may be spent on transit projects if such projects:
 - are in the same corridor as, and in proximity to, a fully controlled highway designated to the National Highway System;

- will improve the level of service on the fully access-controlled highway and improve regional travel and;
- are more cost effective than an improvement to the fully access-controlled highway.

The States may transfer 50% of NHS funds to the STP without Federal approval, and 100% of NHS funds if the Secretary of Transportation approves such transfer as being in the public interest, after notice and opportunity for public comment.

The following programs target more specific transportation projects. Portions of the funds, however, are either transferable to the flexible STP and NHS programs, or can now be applied to transit as well as highway projects.

Interstate substitution funds . This program provides funds for those highway projects which result from decisions to withdraw Interstate routes and replace them with other types of Federal-aid projects. The total funding is \$960 million. Funds may be used for highway or transit projects.

Interstate maintenance funds. These funds are used to maintain the Interstate system. The total funding is \$17 billion. The State may transfer up to 20% to the NHS funds or the STP. Larger amounts may be transferred if the State certifies that its maintenance funds exceed its maintenance needs, and it is adequately maintaining the Interstate system.

Bridge funds. The total funding for bridges is \$16.1 billion over 6 years with an 80% Federal

share. A State may transfer 40% of its bridge funds to the NHS funds or the STP.

Congestion Mitigation and Air Quality Improvement Program (CMAQ). (See p. 16 for explanation of program)

These program funds may be used for transportation projects and programs such as transportation control measures (TCMs), including transit projects, that are likely to contribute to attaining the national ambient air quality standards (NAAQS) in ozone and carbon monoxide nonattainment areas classified by the CAAA. The total funding for this program is \$6 billion over 6 years with an 80% Federal share.

Transit Program:

Section 9 Formula Grant Program. The Federal Transit Administration's (FTA) Section 9 formula-allocated funds may be used for highway projects in Transportation Management Areas (all areas with a population of over 200,000 and any others requested by the Governor), if the Secretary of Transportation finds that all needs related to the Americans with Disabilities Act are met, the MPO approves, and there is a balanced local approach to funding highways and transit. The total funding for this program is \$16.1 billion over 6 years with an 80% Federal share.

Federal Matching Ratio:

There is parity between highway and transit matching ratios for most programs, both receiving

an 80% Federal match, to eliminate bias caused by unequal ability to leverage State and local funds.

INCREASED FUNDING LEVELS

The CAAA significantly expanded State and local transportation air quality planning requirements. The ISTEA provides an expanded Federal source of funding which can be used for transportation projects that reduce mobile source emissions and improve air quality. Increased funding levels are also available for transportation planning and research.

Highway Funds:

The ISTEA provides a \$120.8 billion highway program over 6 years.

Mass Transit Funds:

The mass transit program receives \$31.5 billion over 6 years with an 80% Federal share for capital programs and 50% for operating expenses.

Metropolitan Planning Funds (PL):

Metropolitan planning (PL) funds from FHWA are more than doubled, from \$47 million in FY91 to \$117 million in FY92. The previous 1/2% set aside for PL funds is increased to 1% of the funds authorized for the National Highway System, Surface Transportation Program, Congestion Mitigation and Air Quality Improvement Program,

Interstate Maintenance Program, and Bridge Program.

In addition, metropolitan planning is an eligible activity under the National Highway System and Surface Transportation Program.

Funds for metropolitan planning from the Federal Transit Administration (FTA) are increased by 25%, from \$35 million in FY91 to \$45 million in FY92.

Highway Planning and Research (HP&R) Funds:

Highway planning and research (HP&R) funds are increased from 1.5% to 2% of the major program funds. Not less than 25% of these funds must be used for research, development, and technology transfer activities; unless otherwise approved by the Secretary.

In addition, statewide planning is an eligible activity under the National Highway System and Surface Transportation Program.

Transit Planning and Research Funds:

Planning and research are funded at 3% of the total amount of transit funding provided. A total of \$945 million is authorized over 6 years. Of these funds, \$420 million is to be used for planning grants to MPOs. A new State Planning and Research Program (\$187 million over 6 years) and a National Planning and Research Program (\$291 million over 6 years) are established.

STRENGTHENED PLANNING PROCESS

The ISTEA requires States and Metropolitan Planning Organizations to carry out a comprehensive transportation planning process in order to better coordinate the best mix of transportation projects which will improve air quality.

Metropolitan Planning Process:

Planning emphasis. The urban transportation planning process is strengthened by increasing the emphasis on multi-modal considerations, land use and development decisions, and transportation-related air quality problems.

Planning boundaries. Planning boundaries are required to cover the urbanized area and the area expected to become urbanized within the 20-year planning forecast period. The boundaries may encompass the entire metropolitan statistical area or consolidated metropolitan statistical area, as defined by the Bureau of the Census.

In air quality nonattainment areas, the planning boundaries are expanded to coincide with the nonattainment boundaries, except as otherwise provided by agreement between the affected MPO and the Governor. This will include the “donut” shaped area located outside the urbanized planning boundaries, but within the nonattainment boundaries. If boundaries are revised, it is incumbent on the MPO and the State to determine how conformity in the nonattainment area outside the planning area will be ensured.

Transportation management areas (TMAs). Urbanized areas over 200,000 in population are to be designated as transportation management areas (TMAs). They are to include congestion management systems (CMS) that provide for effective management of new and existing transportation facilities through the use of travel demand reduction and operational management strategies. The DOT is required to provide an appropriate phase-in schedule for the CMS, and to designate other areas as TMAs if requested by the Governor and the MPO or affected local officials.

For TMAs classified as ozone and carbon monoxide nonattainment areas, Federal funds may not be programmed for any highway or transit project that will result in a significant increase in carrying capacity for single-occupant vehicles (SOVs) unless the project is part of an approved congestion management system.

The Secretary is required to certify every 3 years that each MPO in each TMA is carrying out its responsibilities under applicable provisions of Federal law. This includes not only the provisions of the ISTEA, but other Federal laws such as the CAAA of 1990.

Abbreviated plans and programs for certain areas. Abbreviated metropolitan planning procedures set forth in ISTEA may be prescribed in areas under 200,000 in population which are in attainment for ozone and carbon monoxide.

Abbreviated metropolitan planning procedures set forth in ISTEA may not be prescribed in areas under 200,000 in population which are in ozone

and carbon monoxide nonattainment areas. These areas must follow the same planning procedures as areas with populations over 200,000.

Documentation (Transportation Plan, Transportation Improvement Program). For ozone and carbon monoxide nonattainment areas, the MPO must coordinate the development of a long-range transportation plan with the process for development of the TCMs of the State Implementation Plan (SIP).

MPOs are required to consider the effects of *all* transportation projects within the metropolitan area, regardless of funding source.

MPOs are required to provide a reasonable opportunity for public comment on the long-range plans and transportation improvement programs (TIP).

Financial plans are required to demonstrate how the transportation plan and TIP can be implemented with anticipated revenues. Transportation Improvement Programs may include only those projects where full funding availability can reasonably be anticipated within the time period contemplated for its completion.

The TIP must be consistent with the long-range transportation plan. Additional planning requirements of the ISTEA for prioritization of projects in the TIP within 3-year time periods complement the priority and 3-year emission reduction requirements applying to the more serious nonattainment areas put forth in the CAAA of 1990.

Distribution of PL funds to MPOs. In addition to population, status of planning, and metropolitan transportation needs, States must now consider attainment of air quality standards in developing a formula for distribution of PL funds to MPOs.

Statewide Planning Process:

Statewide transportation plans and transportation improvement programs. The State must establish a statewide planning process, including the development of a long-range statewide transportation plan and TIP. Statewide TIPs must include projects which are consistent with the long-range statewide transportation plan, the metropolitan area TIPs, and, in ozone and carbon monoxide nonattainment areas, projects which conform with the applicable SIP.

The statewide transportation plan must be coordinated with the development of the metropolitan transportation planning activities.

Earmarked funds. The State's apportioned funds earmarked under 23 U.S.C. 307(c)(1) for planning and research (2%) are available to carry out the statewide planning requirements as well as metropolitan planning requirements.

STRENGTHENED ROLE OF METROPOLITAN PLANNING ORGANIZATIONS

The MPOs, especially those in urbanized areas over 200,000 in population, are given a stronger role in the project selection process.

Redesignation of the MPO is mandated if one of two special conditions is met:

- The redesignation request is made by a unit or units of local government representing 25% of the affected population in any urbanized area whose population is more than 5,000,000 but less than 10,000,000, or;
- The redesignation request is made by a unit or units of local government representing 25% of the affected population in any urbanized area which is an extreme nonattainment area for ozone or carbon monoxide.

If more than one MPO has authority in a metropolitan area or an area which is designated as nonattainment for ozone or carbon monoxide, the MPOs must consult with each other and the State(s) in the coordination of plans and programs.

NEW CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM (CMAQ)

The ISTEA created a major new program to deal with transportation-related air pollution. The Congestion Mitigation and Air Quality

Improvement (CMAQ) program directs funds to projects and programs in certain nonattainment areas that meet the classifications contained in the CAAA of 1990. The projects and programs must either be included in the SIP or be good candidates to contribute to attainment of the National Ambient Air Quality Standards (NAAQS). The NAAQS are standards for levels of pollutants developed by the Environmental Protection Agency (EPA) in response to a requirement of the Clean Air Act Amendments of 1970.

Project Eligibility:

The FHWA and FTA are required to consult with the EPA on whether or not projects and programs are likely to contribute to attainment of the NAAQS. However, TCMs in the SIP are eligible without further consultation with the EPA.

Projects which include new capacity for single-occupant vehicles are not eligible, except where the project consists of a high-occupancy vehicle (HOV) facility available to SOVs at other than peak periods.

If a State does not have any ozone or carbon monoxide nonattainment areas, the funds may be used as if they were STP funds. The FHWA guidance encourages States that have attained the NAAQS for ozone and carbon monoxide to use the funds in small particulate (PM-10) nonattainment areas, if such nonattainment is mobile source related, before using them in other parts of the State.

State Apportionment:

Funding is apportioned to the States based on the population living in the ozone nonattainment areas, and is weighted by the severity of the ozone problem. Additional weight is provided if the area is also a carbon monoxide nonattainment area.

A 1/2% minimum apportionment is guaranteed to each State.

MISCELLANEOUS PROVISIONS**Operating versus Capital Improvements:**

Funding preference (90% Federal share) is given to operational improvements over capital investments on the Interstate system through an increased Federal share for projects, as long as they do not create additional general purpose lanes which support SOVs. Acceptable projects include HOV lanes, auxiliary lanes, carpool projects, signing and signal improvements, positive guidance systems, and freeway management.

Increased Matching Ratio for Vehicle-related Equipment:

The ISTEA provides a 90% Federal matching ratio for the incremental costs of transit vehicle-related equipment needed to meet the requirements of the CAAA.

Congestion Pricing Pilot Program:

A congestion pricing pilot program provides for operational tests of congestion pricing measures on as many as five projects. Up to three of the projects may be on the Interstate system. The program will be funded by \$25 million of the FHWA's administrative funds for each of the FY's 1992 to 1997. The Federal matching ratio is 80%.

Research Program:

The research program is substantially expanded, including air quality-related environmental research. This will enable FHWA to fulfill a commitment made in the Environmental Policy Statement to undertake significantly more research on air quality and other environmental issues.

Fixed-Guideway Systems:

New provisions in FTA's Section 3 discretionary grant program make it easier to enter into the project development process for new fixed guideways in nonattainment areas. New systems and extensions identified as TCMs in approved SIPs will be evaluated with expedited procedures to be developed by FTA. The policy of limiting the evaluation of fixed-guideway projects to one corridor at a time in an urbanized area will not apply in nonattainment areas. In addition, the criteria normally used for judging the merits of new fixed-guideway proposals for Section 3 funding will be waived if:

- the project is located in a nonattainment area classified as extreme or severe for ozone, and is a TCM contained in an approved SIP, or;

- the Section 3 funding request is less than \$25 million, or less than one-third of the total project cost.

Transit projects financed entirely with funds made available under Title I of the ISTEA are excluded from these requirements.

CONCLUSION

The CAAA bring transportation decisions into the context of achieving and maintaining cleaner air. The ISTEA provides increased funding levels and program flexibility to help transportation officials meet some of the challenges brought on by the CAAA. The provisions within these two pieces of legislation will, more than ever before, make State, local, and air quality officials better able to work together in attaining our Nation's goal of cleaner air.



Printed on recycled paper.

Publication No. FHWA-PD-92-022
HEP-41/8-92(40M)E