

The *Federal Flyer*

A Publication of the Legislative Affairs Office, Texas Department of Transportation

October 12, 1998

Vol. IV, No. 15

Houston Border/Corridor Conference a Success for Texas Speakers Agree: Texas Borders, Corridors are National Priority Yet, FHWA Guidance Leaves TX Competitive Position Uncertain

Upon enactment of the Transportation Equity Act for the 21st Century (TEA 21), the U.S. Department of Transportation (USDOT) scheduled a series of outreach meetings to collect input from the public and other entities affected by TEA 21. The USDOT originally scheduled two outreach meetings, called One-DOT Conferences, on the National Corridor Planning and Development Program and the Coordinated Border Infrastructure Program. We reported on the first session, held on August 25th in San Diego, California, and the second session, held on August 27th in Detroit, Michigan, in an earlier issue of the *Federal Flyer*.

After much encouragement from the Texas Transportation Commission, local Texas officials, and the Texas Congressional Delegation, the US DOT scheduled a third session on the two new discretionary programs for October 8th in

Houston, Texas. **John Horsley**, Associate Deputy Secretary and Director, Office of Intermodalism at US DOT, moderated.



Texas Well-represented at Houston Meeting. TxDOT staff worked hand in hand with the Texas Division of the Federal Highway Administration (FHWA) to ensure that the October 8th meeting reflected well on Texas and the state's chances to compete for a significant portion of the \$140 million in annual discretionary funds that **Secretary of Transportation Rodney Slater** would distribute through these two programs. Our common goal was to invite people to speak at the meeting who would represent their respective interests (i.e., corridor coalitions, border communities, industry) while projecting a unified

presence for Texas. The Texas representation on the two conference panels reveals our success in this effort.

Although many Texans attended the August 25th meeting in San Diego, Texans still deserved their own meeting. As the state with the largest land border with Mexico and the largest number of border crossings in the nation, Texas has its own unique perspectives to give in determining how these limited, but nationally-focused funds should be used.

Texas Panelists. Texans invited to speak on the two conference panels (corridors and borders) or in a welcoming role included **Houston Mayor Lee Brown**, **State Senator Robert Duncan** (R-Lubbock), **Harris County Judge Robert Eckels**, **Eddie Handley** (Union Pacific Southern Region General Manager), **Former Congressman Pete Geren** (Alliance Airport), **Roger Hord** (Greater Houston Partnership),

Colonel Dudley Thomas (Director, Texas Department of Public Safety), **State Senator Carlos Truan** (D-Corpus Christi), **State Representative Joe Pickett** (D-El Paso), and **Robert Nichols** (Texas Transportation Commission member). Other interests were also represented on the border panel by **Fred Keyser** (U.S. Customs Trade Compliance Process Owner - El Paso) and **John Pouland** (Regional Administrator for the General Services Administration).

Texans Filled the Audience. In addition to the official invited speakers for the conference, a large group of Texans attended the conference and spoke up in favor of Texas interests. Texans in the audience included **State Senator Gonzalo Barrientos** (D-Austin), **State Senator Eddie Lucio** (D-McAllen), **Eagle Pass Mayor Jose Arranda**, **Laredo Mayor Betty Flores**, **Lubbock MPO Chairman Randy Naugebauer**, **Jorge Verduco** (International Bank of Commerce, Laredo), **Sam Wilson** (I-35 Coalition, Dallas), **Betsy Triblen-Hurt** (Odessa), **Ray Perryman** (Odessa), **Michael Aulick** (Austin MPO), **Pat Younger** (President, Texas Ports Association), **T. Gonzalez** (Lubbock), **R. Gilliard** (El Paso), and **Rick Moldonado** (Port of Corpus Christi).

Also, representatives of the I-69 Coalition and the I-35 Coalition from other states

made comments supporting funding for the two corridors, which traverse a great deal of Texas. These non-Texans included **Dan Flowers** (Director of the Arkansas State Highway and Transportation Department), **John Carruthers** (Indiana, Chair of I-69 Coalition), **Jim Newland** (Indiana, I-69 Coalition Executive Director), **James Branyon** (Camden, Arkansas), and **Mayor J.Y. Tryce** (Rosedale, Mississippi).

With a few exceptions (noted below), Texas interests were unified in the goal to focus funds on nationally-significant corridors connecting the United States to Mexico and Canada at land border crossings. Texas has four primary north-south corridors that fit within this description: I-35, I-69, the Ports to Plains corridor, and the El Camino Real corridor (including the portion of I-10 through El Paso). Many speakers emphasized Texas' unique situation of large, increasing international truck-borne trade traffic and busy international border crossings. This reality is reflected in the selection criteria written into TEA 21; Texans encouraged the Secretary to use those criteria as the basis for distribution of the program funds. Of particular note, several people commented that Texas is shouldering a national burden that deserves a national solution.

Furthermore, speakers emphasized the importance of local and state leveraging of the limited federal funds so that Texas projects could compete well nationally.

Panel Highlights. In his welcoming comments, **Senator Duncan** commented on the diversity of Texas represented at the conference. Duncan's key issues are:

- Limited funds require specific, fair, balanced criteria. Don't segregate the funds between border and corridor programs. Each project should compete equally but projects that incorporate benefits to both areas of emphasis should be given priority.
- Weight should be given to new corridors to relieve congestion on existing corridors. Weight should also be given to projects with an economic development emphasis.
- Encourage the increased use of underutilized border crossings.
- Leverage other governmental funds.
- Support projects which ease congestion and improve safety.
- Consider projects in the context of the entire transportation system.
- The commitment of other stakeholders (including international players) is important, the earlier the better. This commitment is critical for project success and enhances the

ability to leverage resources.

The remarks delivered by **Commissioner Nichols** emphasized a combined border/corridor program with a national focus. Nichols stated that funds should be spent only on identified north/south corridors in the High Priority Corridor list linked to a land border crossing with Mexico or Canada. In addition, Nichols said that the criteria in Section 1118(b)(2) should be used to evaluate corridor projects separate from border projects, but that the funding should not be separated. Border projects should be evaluated based on criteria in Section 1119. Nichols emphasized the importance of leveraging the limited federal funds, indicating that Texas is ready to do so to win these funds for the state's much needed border and corridor improvements. As the spokesman for the Texas Department of Transportation, Nichols stated that all project applications should flow through the state DOT to provide a unified, statewide approach. He also said that each state should be limited to annual applications for ready-to-go projects totaling not more than the annual funding for the program (i.e., \$140 million per year).

The border panel was divided into two areas of emphasis: *enforcement and infrastructure*. **John Pouland** (GSA Regional

Administrator) summarized the enforcement emphasis. He commented that the nation needs to provide the infrastructure for safety inspection at the borders. He said that the two programs should serve as a single source of funding for projects based on need. Pouland also commented on a long history of border neglect. "The border is where the funds would be most-effectively spent," Pouland said. He asked that the Secretary focus on resolving immediate problems first. A more cooperative spirit among state, federal, and local agencies would help tremendously in handling the conflict between overlapping jurisdictions and agendas (drug interdiction versus trade flow). He encouraged agencies to unite to raise and maintain the level of funding for the border.

Representative Joe Pickett's comments reflected much of the border region's concerns about the infrastructure in the region. Pickett emphasized the need for attention to the border itself, suggesting that all of the \$140 million in annual program funding should go to the border program alone. Pickett stated that it is not logical to try to address the huge corridor needs with so few dollars; the corridor interests should look to the state DOT for funding.

Pickett emphasized that "our community is at your border. What use is a

corridor if you can't reach it?" Priority should go to addressing cross-border congestion. Criteria for consideration include: How quickly can a project be completed? Is the project located in a county adjacent to the border? Is there any multi-jurisdictional conflict? Does the project benefit more than just the sponsoring entity? Will the project minimize the impact on air quality? What is the role and level of commitment of other stakeholders, especially the private sector?

In discussing leveraging, Pickett stated that the greatest benefit to the most for the least cost and effort should be the primary concern. "Border communities can't compete with larger communities in leveraging funds. Reduce the match requirement for projects with broad benefits beyond the local," he said.

FHWA Releases Program Guidance. On the heels of the October 8th meeting in Houston, the FHWA Administrator Kenneth Wykle released the guidance for the two programs on November 4th. The guidance basically follows the legislative language included in TEA 21, with FHWA placing emphasis on leveraging, state prioritization of project submissions, cooperation among levels of government and private interests, and cost/benefit considerations. At first blush, it appears that the FHWA plans to distribute the

program funds geographically, based on the eligible High Priority Corridors and other significant routes selected by

the Secretary. The guidance did define the border region as being within 100 km (62 miles) of the U.S. borders with Mexico and Canada. Finally, the two programs will be administered from a single funding source.

The guidance calls for project submissions from states and MPOs to the FHWA Division offices in

each state by January 1, 1999. The Secretary will announce project funding selections for the first year of funding (\$140 million) in March 1999.

If you have any questions about the guidance, please contact Mr. Dan Reagan, FHWA Texas Division Administrator, at (512) 916-5511.

Clinton Signs Omnibus Appropriations Bill *Transportation Funding Increases as Revenues Increase*

After months of debate and delay, the Congress and the Clinton Administration finally came to an agreement which prevented a government shutdown and provided much-needed funding for most federal programs. The Fiscal Year 1999 transportation appropriations bill, H.R. 4328, became the vehicle for the omnibus spending bill for nearly all other federal spending programs for the year. President Clinton signed the measure on October 29th.

In passing and enacting H.R. 4328, Congress and the

president ushered in the first full year of funding under the new TEA 21 formulas. With the firewall protections for highway and transit spending tied to increased revenues from the federal motor fuels tax, FY 1999 saw what is expected to be the first of many annual increases in federal highway and transit spending.

In developing the funding charts for TEA 21, the congressional committees had estimated that FY 1999 highway funding would be \$25.431 billion. Instead, since motor fuels tax payments into the Highway

Trust Fund increase beyond expectations, the FY 1999 highway funding in H.R. 4328 is set at \$25.511 billion.

These additional highway program funds resulted in an additional \$111 million in federal highway funds to Texas. Our increased funding is the result of both additional revenues into the Highway Trust Fund and a much-improved funding formula which benefits Texas and other donor states.

National transportation program spending levels are given in the table below. Final Texas funding numbers are not yet available.

OFFICE/PROGRAM	FY 1998 ENACTED	FY 1999 APPROPRIATION
Office of the Secretary	\$78,224,000	\$81,256,000
Coast Guard	\$3,916,446,000	\$3,895,465,000
Federal Aviation Administration - Grants-in-aid (AIP)	\$1,700,000,000	\$1,950,000,000
Total, FAA	\$9,101,594,000	\$9,562,558,000
Federal Highway Administration - Federal-aid highways - Exempt programs - Motor Carrier Safety Grants	\$21,500,000,000 \$1,597,000,000 \$84,825,000	\$25,511,000,000 \$1,211,614,000 \$100,000,000
Total, FHWA	\$23,481,825,000	\$26,822,614,000
National Highway Traffic Safety Administration - Operations and research - National Driver Register - Highway traffic safety grants	\$146,962,000 \$0 \$186,500,000	\$159,400,000 \$2,000,000 \$200,000,000
Total, NHTSA	\$333,462,000	\$361,400,000
Federal Railroad Administration - Railroad safety - Railroad R&D - Northeast Corridor Improvement Program - Next generation high speed rail - Grants to Amtrak	\$57,067,000 \$20,758,000 \$250,000,000 \$20,395,000 \$543,000,000	\$61,488,000 \$22,364,000 \$0 \$20,494,000 \$609,230,000
Total, FRA	\$936,790,000	\$749,791,000
Federal Transit Administration - Formula Grants - University transportation research - Transit planning and research - Capital investment grants • Fixed Guideway Modernization • Bus and Bus-related Facilities • New Starts - Job access and reverse commute grants	\$2,500,000,000 \$6,000,000 \$92,000,000 \$2,000,000,000 \$800,000,000 \$400,000,000 \$800,000,000 \$0	\$2,850,000,000 \$6,000,000 \$98,000,000 \$2,257,000,000 \$902,800,000 \$451,400,000 \$902,800,000 \$75,000,000
Total, FTA	\$4,843,738,000	\$5,390,000,000
Saint Lawrence Seaway Development Corporation	\$11,200,000	\$11,496,000
Research and Special Programs Administration	\$60,950,000	\$73,728,000

Office of the Inspector General	\$42,000,000	\$43,495,000
Surface Transportation Board	\$13,853,000	\$16,000,000
TOTAL, DEPARTMENT OF TRANSPORTATION	\$42,064,973,766	\$46,985,983,000

Source: House Appropriations Committee Summary Chart