

Federal Actions to Reduce Energy Use in Transportation

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Executive Summary

The U.S. Department of Transportation (DOT) has many tools in its kit with the potential to reduce energy use and encourage energy efficiency, but these are not always being used to their full capacity. In some cases program dollars are going begging for lack of creative thinking by grant administrators or potential recipients. In others, financial bureaucracy is blocking beneficial investments. States that have signed on to the federal Value Pricing Pilot Program are a good place to start experimenting with ideas that can improve energy efficiency within existing regulatory and financial frameworks. Modest changes in the legislation that authorizes transportation spending could also help drive funding in ways that increase energy efficiency and reduce greenhouse gas emissions and reliance on foreign oil.

As a result of many years of public and private investment decisions, consumers in the U.S. are often limited in their ability to choose fuel-efficient modes of transportation, shorter commutes, or flex time to reduce traffic congestion. But with gas prices and greenhouse gas emissions both rising, it is critical to identify actions that can begin to shift transportation policies toward improving the overall fuel efficiency of our transportation system.

To increase energy efficiency and lower levels of pollution caused by the transportation sector, the USDOT can take several specific actions under the existing legislation, (known as the Safe, Affordable, Flexible, Efficient Transportation Equity Act – A Legacy for Users, or SAFETEA-LU). These actions should include a consideration of both personal travel and freight movement, and focus on a few key strategies:

- Shift the cost of travel from fixed to variable and/or increase the variable cost of travel;

- Encourage a move to more energy-efficient modes of transportation; and
- Support changes in land use patterns that will reduce trip length or frequency

The U.S. DOT has the ability to influence transportation investment decisions through three main channels: formula programs, discretionary programs, and administrative oversight and regulatory guidance activities. Two particular recommendations show the most significant promise:

- Take full advantage of the Value Pricing Pilot Program to support widespread tolling and pricing strategies in the 15 participating states. This 20-year-old program, as the Federal Highway Administration summarizes on their web site, “encourages implementation and evaluation of value pricing pilot projects to manage congestion on highways through tolling and other pricing mechanisms” and offers the latitude to implement fuel-saving actions in a number of highly populated states without raising the gas tax.
- Enforce fiscal constraint requirements of regional long-range transportation plans and regional Transportation Improvement Programs (TIPs) developed by Metropolitan Planning Organizations (MPOs) and Statewide Transportation Improvement Programs (STIPs) developed by state Departments of Transportation (DOTs). This action will promote an open dialogue at the local level on trade-offs among various investment options and protect the credibility of the Clean Air Act’s transportation conformity process – requiring alignment of transportation and air quality planning and programming -- in regions facing air quality issues.

Several additional recommendations are outlined in this paper that will support state DOTs and transit agencies as they move to make investment decisions that encourage fuel savings and reduce pollution. In sum, multiple layers of creative thinking and action are needed to improve energy efficiency in the transportation sector, but with sustained focus the federal transportation authorities can achieve this critical goal

I. Introduction: The Potential for Transportation Energy Efficiency

The cost of gasoline is climbing once again toward the record levels experienced just a few short years ago as the economy begins to improve. Economists widely believe that fuel price increases will continue. The former president of Shell Oil, John Hofmeister, recently speculated that gasoline prices will top \$5 a gallon by 2012. Saving money is just one of the reasons why it is critical that we identify actions that can begin to shift transportation policies toward those that will improve the overall fuel efficiency of our transportation system and reduce our dependence on foreign oil. Such actions will also help to reduce pollution generated by the transportation sector, including greenhouse gas emissions.

Higher fuel prices and the Obama Administration’s National Program aimed at strong fuel efficiency and fuel economy standards are resulting in cleaner, more fuel efficient vehicles. In 2009, the average fleet fuel economy increased to 22.4 miles per gallon, up more than 6% in just a single year. The next round of the National Program standards being made jointly by the Department of Transportation and Environmental Protection Agency could strengthen fuel economy and carbon pollution standards to as much as the equivalent of 62 miles per gallon by 2025. Few would have imagined such a significant shift in such a short period of time. The challenge is to identify strategies beyond vehicle-based fuel

efficiency that can reduce the heavy reliance on oil within our transportation system. Perhaps federal transportation policy can make a shift of similar magnitude.

How can we respond to the challenge? Consumers have shown a desire to reduce fuel costs by their changing choice of vehicles, but in many cases, they have far less control over the transportation system within which they must operate. Our national, state and local policies should shift to support consumers' desire to save money on transportation expenses. The ability to choose less fuel-consuming modes of transportation, to work at home, or to travel in less congestion, does not exist in many communities. These limited choices are the result of many years of public and private investment decisions, and the ability to provide more choices will take many years and an aggressive shift in priorities.

Congress is making slow progress towards reauthorizing the current transportation bill, but even before a new bill is enacted, the Administration has some flexibility to encourage strategies and actions that reduce fuel consumption and pollution over the long term.ⁱ This paper recommends several specific actions that assume a continuation of the existing transportation SAFETEA-LU law, and also highlights a select number of strategies that could be even more effective in reducing energy use and pollution if small changes were enacted to the existing legislation.

Policy Menu For Encouraging Fuel Efficient Transportation

- Use revenue models that capture variable costs of travel;
- Encourage and promote fuel efficient modes of transportation;
- Support changes in land use to decrease trip length and frequency;
- Consider fuel as an eligible capital expense for the transit program;
- Streamline the transit New Starts process to reduce the cost of project implementation, speed the time of project delivery, and reduce project costs;
- Increase willingness of FTA/US DOT to share project cost escalation risks for New Starts; and
- Allow cities to build increased use of tolling and value pricing into long-range plans.

II. Recommendations from the Department of Transportation

The US DOT's recently completed report to Congress, "*Transportation's Role in Reducing Greenhouse Gas Emissions*" identifies potential actions that may be taken by transportation organizations to reduce energy use and pollution within the transportation system.ⁱⁱ Strategies that are deemed effective in reducing greenhouse gases are also expected to reduce energy use.

From the DOT's report as well as the input of a number of transportation professionals at the local, state and federal level, the following stand out as the most effective means of reducing energy use and pollution:

- *Shift fixed costs of travel (such as insurance and registration) to variable costs, which increase with mileage.* Relevant actions include pay as you drive insurance, tolling, congestion pricing, value pricing, and general increases in gas taxes (including carbon taxes or vehicle miles traveled (VMT) charges).
- *Shift to more energy efficient modes of transportation* Relevant actions include investments in public transportation, pedestrian and bicycle infrastructure, or support for actions that reduce the need for travel, such as telecommuting.
- *Change land use patterns to reduce trip length or the frequency of trips.* Federal influence here is indirect, and even local transportation agencies rarely have direct authority, but transportation policies can reinforce land use changes that would reduce the travel burden of households.

The DOT’s “*Transportation’s Role in Reducing Greenhouse Gas Emissions*” report outlines several broad strategies to reduce GHGs, and these recommendations should be considered as means of implementing these strategies.ⁱⁱⁱ

Estimates of the effectiveness of a number of policy options are outlined in Table 1 for the year 2030 and represent the types of efforts that can be supported directly or indirectly through policy changes.

Table 1: Estimates of Reductions in Transportation Sector Greenhouse Gas Emissions for Strategies Relevant to Policy Recommendations

Strategy	Description of Assumptions	Estimate of Percent Reduction of GHGs in 2030
VMT Charges	VMT charge of 2 to 5 cents per mile	0.8%-2.3%
Intercity Tolls	Tolls of 2 to 5 cents per mile on rural Interstate highways	0.1%
Congestion Pricing	Maintain Level of Service D on all roads ^{iv} (average fee of 69 cents/mile on 29% of urban and 7% of rural VMT)	0.4%-1.6%
Cordon Pricing	Cordon Charge on all US Metro area Central Business Districts (average fee of 65 cents/mile)	0.1%
Transit Expansion	Annual increase in service (2.4-4.6%) with increased loads on service	0.3%-0.8%
Non-Motorized Transportation	Comprehensive urban pedestrian and bicycle improvements	0.2%-0.6%
Land Use	60-90% of new urban growth in compact, walkable neighborhoods	1.2%-3.9%
Demand Management	Widespread employer outreach and alternative mode support	0.1%-0.6%
Teleworking	Doubling of current levels	0.5%-0.6%
Freight Modal Diversion	Rail infrastructure improvements	0.0%-0.2%

Source: Report to Congress: Transportation’s Role in Reducing Greenhouse Gas Emissions: Volume 1

III. Three Major Channels for Federal Influence

Any strategy involving the federal government that is likely to be effective in reducing energy use and pollution will need to influence investment decisions related to state, local and federal dollars. Changes in the federal program may influence investment decisions through three major channels:

- ***Federal Formula Programs***

The vast majority of Federal dollars provided to support transportation are distributed to state DOTs and transit agencies through established formula programs with explicit criteria outlined by law on how dollars are to be apportioned. While the Administration has little to no influence over specifically how these dollars are distributed, there is some potential for indirect influence through the planning process and the determination of funding eligibility for specific projects under each program.

- ***Federal Discretionary Programs***

Many of the discretionary programs are quite small in the context of the overall federal transportation program, and criteria for investment are often established by Congress rather than program managers. In many cases, “discretionary” programs are fully earmarked by Congress. There are, however a few truly discretionary programs within the Department of Transportation of a large enough scale to make a difference. These include grants programs like the Transit New Starts Program, and financing programs such as the Transportation Infrastructure and Innovation Act (TIFIA).

- ***Regulatory Oversight/Program Administration/Technical Assistance***

The U.S. DOT also plays a critical role in administering existing legislative requirements and programs, and can use this role to focus on strategies to reduce energy use. For instance, the U. S. DOT is responsible for the oversight of regional and statewide long-range planning requirements. Within Federal Transit Administration, the agency also has significant oversight of what grants are given and how these are administered. It is within this category of influence that the Administration has the most potential to influence decisions as Congress continues to work on the next round of transportation funding authorization.

The American Recovery and Reinvestment Act of 2009 included an unprecedented level of discretionary spending for transportation, and general funds provided resources in fiscal year 2010 and 2011 for TIGER II and TIGER III programs, new chapters in another large-scale discretionary program called “Transportation Investments Generating Economic Recovery” or TIGER. The New Starts program for transit projects currently stands as the largest program within which the U.S. DOT has consistent discretion and an ability to prioritize investments nationally. However, the commitments for this program are nearly always multi-year for large projects, making it a challenge to shift priorities year to year.

The potential for influencing transportation policy to focus on fuel efficiency is also limited by the amount of spending that is not controlled at the federal level. Federal funding now accounts for less than half of total capital expenditures and only a small portion of operating expenditures on transportation nationwide.

In addition, the need for Congressional approval may limit creative approaches. While the U.S. DOT may introduce changes to how programs are administered, actions that lack relatively broad support may face challenges from Congress. Within the current political environment, actions that can increase federal funding without requiring an increase in the federal gas tax or increased contributions from state and local resources are more likely to be embraced. In addition, strategies that are effective in reducing administrative requirements and inefficiencies are likely to receive support.

Despite their limitations these three major channels provide the best opportunities for the federal government to encourage a more fuel-efficient transportation sector. In the following sections we explore these three channels in greater detail,

IV. **Stretching Federal Formula Funding Dollars**

Within formula programs, the Federal government has the ability to influence formula dollar expenditures primarily through eligibility requirements. Administrators of federal formula funding can adopt a few options to reduce energy use and pollution in the transportation sector:

- ***Provide technical support to encourage creative application of Congestion Mitigation and Air Quality (CMAQ) dollars.*** The CMAQ program, with an annual appropriation of more than \$2 billion in Fiscal Year 2010, can be used for a wide range of purposes so long as they meet the program objective of reducing air quality pollutants. This program offers one of the few resources that can be used to invest in private facilities, including freight rail lines.
- ***Consider fuel use as an eligible capital expense for the transit program.*** Transit agencies across the country are struggling to maintain service in the wake of the economic recession. The U.S. DOT could allow an expansion of the definition of capital to include fuel to help agencies maintain existing service levels until new financial resources can be identified to support operating subsidies. Many agencies have already taken full advantage of funding flexibility to shift resources into preventative maintenance, but this change would allow additional operating funding from federal sources. Paradoxically, funding for fuel could help fund fuel efficiency by freeing up additional resources.

To improve the use of air quality funds, the U.S. DOT should encourage regions to think broadly as they consider eligible projects. States and Metropolitan Planning Organizations make determinations on the use of air quality funds, but current rules allow funding for a project only if it provides a reduction in pollution within “non-attainment areas” (areas that fail to meet air quality standards established under the Clean Air Act.)

As an example, a rail freight project that is outside of a non-attainment area might reduce truck travel through a more polluted region, and so might be eligible for CMAQ funding. Without this kind of creative thinking, not all states have taken full advantage of the CMAQ program and funds have been left unspent.

V. **Discretionary Funding: A Chance to Show Commitment to Energy Efficiency**

Although federal discretionary funding for transit is relatively small in the context of overall transportation spending, discretionary programs still offer an opportunity for the U.S. DOT to guide investment toward projects that reduce energy use and pollution. This is particularly true in cases where criteria for project selection outlined in the authorizing legislation can feasibly include reductions in energy use as a criterion. The current transportation program offers limited opportunities for US DOT to directly select projects, but among those are a couple of high profile programs that can allow DOT to show its commitment to energy efficiency.

- **Value Pricing Pilot Program.** *The states participating in this program should implement policies to support more widespread use of tolling and pricing strategies.*
- **New Starts.** *The process needs refining to be less cumbersome and more accessible*

The marginal cost of travel borne by an individual does not capture its full cost. State and local contributions to the transportation system often come from a mix of taxes—gas taxes, sales taxes, property taxes, and other general levies—that are not directly related to how much we travel. Gas tax revenues, for instance, do not cover the cost of the roadway system or the environmental consequences of travel, including damage from pollutants and greenhouse gas emissions. In high-density corridors, an individual’s decision to travel may increase congestion and cost other drivers time and money, but again, these costs are not reflected in the current approach. Strategies to more fully recognize the cost of travel, and charge people prices that relate to their actual use, will have a positive effect on reducing energy use and pollution.

The Value Pricing Pilot Program offers flexibility to more widely implement tolls and variable pricing in the 15 states in which the program is approved (shown in Table 2). States that applied and were accepted into this program can implement tolls on an unlimited number of facilities to reduce congestion. In addition, the states are allowed to use revenue generated by these tolls for transportation purposes other than maintaining the highway on which the toll is levied.

While the program funding to study and implement projects, at \$12 million in FY 2010, is small, the flexibility provides an opportunity to raise funds from highway facilities and use them to implement projects that will reduce energy use. The U.S. DOT is currently in the process of soliciting projects under the program with the intent to award \$10.5 million in funding. The current solicitation of projects encourages applications for projects that do not involve highway tolls (“FHWA is especially interested in grant applications for projects that do not involve tolls”), like variable pricing for parking or pay as you drive insurance. The U.S. DOT, while seeking to identify innovative pricing approaches, should also continue to support projects that have a broad effect of increasing the variable cost of travel. These projects can help in reducing fuel use and pollution.

Table 2: States Currently Participating in the Value Pricing Pilot Program

- California
- Colorado
- Maryland
- Minnesota
- Oregon
- Pennsylvania

- Florida
- Georgia
- Illinois
- New Jersey
- New York
- North Carolina
- Texas
- Virginia
- Washington

New Starts is a federal program designed to support locally planned and operated new transit projects. The current New Starts process is cumbersome, requiring numerous steps and approvals that slow projects, increase costs, and generally discourage investment in the new capacity transit projects the program is designed to promote.^v

The Federal Transit Administration (FTA) should simplify the New Starts process to reduce the administrative burden of project delivery for both the federal government and agencies seeking to construct new capacity transit projects. To do this, the FTA should first eliminate the requirement to prepare a separate, duplicative alternative analysis and Environmental Impact Statement for the National Environmental Policy Act (NEPA). Such a change would level the playing field between transit projects and highway projects. Secondly, FTA should streamline later steps in the process to speed project delivery and allow innovative financing approaches, such as Public Private Partnerships (PPPs). The current process requires federal approval at too many stages, including approval to enter final design after the completion of preliminary engineering. After final design approval, project sponsors must negotiate for a full funding grant agreement before they can move into construction. This process, with its numerous approval steps, has made it difficult for agencies to administer creative financing approaches to completing projects, and has resulted in project cost escalation as delays plague agencies waiting for approval at the various stages.

If FTA and the U.S. DOT were willing to share some of the New Starts project cost escalation risk, it might ease the burden of risk of transit investments. Currently, this risk is borne completely by local project sponsors with a fixed federal share established at some point during the project development process. Project sponsors now must bear the risk, even when heavy federal involvement and oversight delays project delivery or when unforeseen escalations occur that are beyond the control of the project sponsor. Sharing risk has the potential to increase the willingness of project sponsors to move forward with new capacity projects, particularly in large urban regions where transit investments are expensive, but are also more likely to reduce energy use.

Conversely, a continuation of current policy has the potential to reduce interest in the New Starts program given the current fiscal situation faced by state and local governments. New Jersey cited the risk of project cost escalation as the reason it recently cancelled a high-capacity transit project called Access to Region's Core in the New York Metropolitan Area in late 2010. The project would have reduced energy use both by shifting travel to more efficient modes and shaping urban development in a way that reduces the need for travel. Despite the national benefit of such projects, most of the risk for implementation currently rests with the local project sponsors.

Another improvement to the New Starts program would be to emphasize energy use and pollution control rather than just cost-effectiveness. In recent years, the FTA has emphasized cost-effectiveness in its projects to the exclusion of other criteria. The effect has been a bias toward projects that result in clear time savings for travelers over long distances. Arguably, transit projects that result in or encourage long distance commute trips contribute to energy-intensive suburban sprawl, but this impact is currently not estimated as a part of the project evaluation process. While the current evaluation process does consider the shift in travel from automobiles to transit, it does not consider impacts on land use at a regional scale that may undermine short-term environmental benefits. FTA is in the process of refining its approach to project assessment, and should include consideration of land use as well as fuel consumption savings.

VI. Regulatory Guidance and Program Oversight

Federal regulatory guidance and oversight related to long-range planning and program implementation provides an opportunity to influence state and local investment decisions to encourage actions that reduce energy use. The U.S. DOT approves Statewide Transportation Improvement Plans (STIPs) that include all programmed transportation investments within each state. Without this approval, state DOTs and transit agencies are unable to spend federal funds on transportation projects. The level of influence is particularly strong in regions that are in non-attainment (i.e. have poor air quality) and are, therefore, subject to additional requirements that stem from the Clean Air Act. Federal oversight can influence decisions regarding all transportation expenditures, including those from state and local resources. Several specific actions can encourage transportation investments that have the potential to save fuel.

The Federal Highway Administration and Federal Transit Administration should:

- *Enforce fiscal constraint requirements of long-range plans, TIPs and STIPs.*
- *Allow Metropolitan Planning Organizations to make assumptions for more widespread use of tolling and value pricing within long-range plans.*
- *Fully support tolling to the extent allowed by statute.*
- *Remove restrictions preventing transit agencies from providing bus service for school systems.*

The Federal Highway Administration and Federal Transit Administration are responsible for oversight of all programs in non-attainment areas. This process involves a review of the underlying assumptions used in the development of the regional long-range plans and in particular, those used in the development of long-term transportation revenue estimates. These assumptions are all critical to the transportation conformity process in non-attainment areas where the region must meet certain air quality criteria over the long-term based on transportation investments included within the long-range plan. Regions must show that they can fund all projects listed in a plan or program based on projected available revenue.

A realistic portrayal of expected available revenue and expected long-term costs is critical to provide the general public and elected officials with a realistic expectation of transportation investments over the long-term. It is likely that neither fundamental economic changes that have happened in recent years

nor the flattening of Federal revenue are fully captured in revenue estimates within existing regional long-range plans. Absent reasonable assumptions, the general public will not have an opportunity to provide input on trade-offs that will need to be made among desired transportation investments. Given the magnitude of recent economic changes that are likely to result in fundamental changes in revenue to support transportation, FHWA and FTA should fully explore fiscal assumptions as a part of their oversight role in the development of TIPs and long-range plans.

Tolling and pricing strategies are among the most effective long-term means to reduce travel, manage congestion, and improve the energy efficiency of travel. While current SAFETEA-LU legislation creates barriers to widespread adoption of this financing strategy, there is support in many circles for increasing reliance on tolls and value pricing to fund in the transportation system. To recognize the importance of these strategies, the highway and transit administrations should provide discretion to allow MPOs to assume the more widespread use of tolling, even on existing interstates and to include other Title 23 uses (Title 23 of the U.S. Code covers federal highway policy), such as parallel transit facilities. This change will begin to introduce the concept in more communities and educate the general public on the necessity of this resource. Consistent with the recommendation to enforce the fiscal constraint requirements of long-range plans, FTA and FHWA should require that regions indicating a reliance on tolling and pricing for transportation revenue should meet a “reasonableness” test. Regions showing tolling and pricing components within revenue forecasts should also show that the state and local political and institutional support exists to transition toward increased reliance on tolling and pricing within the timeframe of the long-range plan.

DOT is responsible for approvals of tolling under Section 129 of Title 23. While the statute is clear on those facilities that are allowed to charge tolls, this step does provide some opportunity for DOT to reject toll requests. Given the benefit of tolling, DOT should fully embrace this provision and allow states to implement toll facilities where possible

Transit agencies that receive federal funding currently may not provide school bus service, and grantees that do not abide by this restriction jeopardize federal funding. The restriction was established in the 1973 Federal Highway Act to prevent subsidized public transportation services from unfairly competing against private school bus operators. The way in which school bus service is defined provides the bounds by which students may use public transportation service to travel to and from school. A number of court decisions have defined the restriction narrowly. In 2008, the Federal Transit Administration issued a policy statement with a broader definition of “school bus service” as service that “a reasonable person would conclude was primarily designed to accommodate students and school personnel and only incidentally to serve the nonstudent general public.” The policy statement is still in place and discourages school systems and public transportation agencies from working together to provide efficient transportation service. Formal retraction of this recent policy statement will provide the dual benefit of reducing energy use while providing budget relief to transit agencies and local school systems.

As part of their regulatory guidance and oversight, transportation authorities should support more widespread employer participation in the transit benefit program. The Federal government supports a fringe benefit for transit and vanpool users to help offset the cost of commuting. Employers may provide

workers with up to \$240 per month in tax-free transit and vanpool benefits. However, this program is entirely administered by the Internal Revenue Service, and no DOT staff actively participate in its promotion or administration. As a result, this program is drastically undersubscribed, and far less effective than it could be.

DOT staff should create a cross-agency working group with IRS staff to develop strategies to better promote, expand, and administer the transit fringe benefit.

VII. Potential Legislative Changes

In addition to administrative actions that can be taken by the U.S. DOT under the current legislation, several changes should be considered to the authorizing transportation legislation to reduce energy use and pollution as new authorizing legislation is developed. Such changes should include:

- ***Allow more widespread use of tolling as a revenue source for transportation.***
- ***Allow tolling of existing interstates and the use of toll revenue to support other transportation-related activities.***

While DOT should take full advantage of existing authorization within SAFETEA-LU for pricing, tolling, an expansion of authorization should include explicitly allowing states to toll existing interstates. Of the 46,730 miles on the current Interstate System, only 2,900 miles are tolled. A number of states, particularly those with large metropolitan areas could generate significant and much needed transportation revenue by tolling existing freeways in a manner that captures the value of travel during peak periods, reduces congestion, and provides a potential funding mechanism for alternative modes of travel.

All of these benefits will have the additional effect of reducing energy use and pollution. The authorization would also help close a gap in funding availability to maintain the existing system. A prohibition on use of tolls on existing interstate facilities currently limits this strategy.

Tolling and pricing strategies will have the effect of more closely connecting the actual cost of travel to the cost borne by an individual. In a number of large urban regions across the country, demand for travel on the existing interstate system far exceeds capacity, and the ability to add highway capacity is severely restricted. The balance between supply and demand is off. However, current statutes prevent states from tapping this potential financial resource and, at the same time, reducing congestion levels. New authorization for tolling and pricing strategies could break down the current silo approach to transportation decision-making, and make financial resources available to support parallel investments in transit, improvements to arterials, and support of demand management programs.

VIII. Conclusion

The U.S. DOT has some flexibility within the existing SAFETEA-LU legislation to encourage transportation investments that have the potential to reduce energy use in the transportation sector and support a decreased dependence on foreign oil. While the current SAFETEA-LU legislation is prescriptive in the distribution of the vast majority of funds to state DOTs and transit agencies, there are some

discretionary programs and oversight provisions that can provide early opportunities for the Administration to shift investment priorities toward those focused on reducing energy use.

The latitude provided under the Value Pricing Pilot Program offers one of the more promising opportunities. Though the program currently includes just fifteen states, these states are some of the most populated in the country. The successful implementation of a systematic approach to policymaking that encourages energy efficiency in a few regions can showcase the potential for pricing and tolling nationwide to reduce energy use and pollution. Another strategy worth emphasizing is the enforcement of fiscal constraint requirements for long-range plans, TIPs and STIPs. While less direct in nature, this oversight role will provide regions with realistic expectations of project investments and empower local constituents to provide input into investment decision. It will also ensure the credibility of the conformity process with realistic expectations of project implementation over the long-term. The other strategies outlined in this paper offer many opportunities to promote investments in transportation that will help states throughout the nation to save money, reduce greenhouse gas emissions, and conserve fuel.

ⁱ SAFETEA-LU is the Safe, Affordable, Flexible, Efficient Transportation Equity Act – A Legacy for Users, enacted in 2005.

ⁱⁱ Transportation’s Role in Reducing U.S. Greenhouse Gas Emissions, U.S. Department of Transportation Report to Congress, April 2010, www.climate.dot.gov

ⁱⁱⁱ http://ntl.bts.gov/lib/32000/32700/32779/DOT_Climate_Change_Report_-_April_2010_-_Volume_1_and_2.pdf

^{iv} Engineers use level of service (or “LOS”) A through F to categorize transportation facilities based on traffic flow.

^v “New Starts” is a federal program that provides grants for capital investments in new transit projects such as light rail lines.