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Transportation - Rural Transportation/Smart Growth

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BACKGROUND ON SUSTAINABLE DEVELOPMENT AND TRANSPORTATION
OCTOBER 31, 1998

> *"President Clinton and Vice President Gore want us to ensure that our transportation systems not only promote mobility, but support the strong economies and healthy environments valued by our communities."*
>
> -- Transportation Secretary Rodney E. Slater

Building Strong Communities for the Future. "Sustainable development" emphasizes a high standard of living for today while preserving our children's ability to enjoy an even better life tomorrow. Transportation can support sustainable development by giving communities the opportunity to make smart choices about their future and the resources to make those choices a reality. TEA-21, the transportation bill President Clinton signed last summer, and other Clinton-Gore Administration initiatives promote mobility and economic growth while protecting our environment and our quality of life.

Investing in Sustainable Transportation. TEA-21 authorizes a record $41 billion over the next six years for transit, increases tax-free transit benefits, and expands communities' ability to transfer funds from highway construction to transit, bicycle and pedestrian programs, telecommuting, and other forms of transportation which reduce congestion and pollution.

Empowering Communities to Make Smart Choices. TEA-21 expands communities' ability to choose the right transportation investments for their needs. Communities also can now use federal funds to clean and reuse polluted urban properties called brownfields, preserve farms and forests for the future.

Making Communities More Livable. The Livable Communities and Transportation Enhancements initiatives support low-cost projects with big quality-of-life benefits, such as rail station improvements and historic preservation. The Transportation and Community and System Preservation Pilot program helps communities to develop innovative transportation-land use strategies.

Preparing for Future Challenges. We face challenges such as global climate change which demand we move beyond false choices between prosperity and environmental protection: our problems come not from growth, but from *thoughtless* growth. Sensible, flexible transportation initiatives focused on getting people where they need to go can improve both our economy and our quality of life.

Dorothy

Safe Mobility, For Lise starts on page 39. The elderly and handicapped program starts on page 42. Technology starts on page 53

Don T

Transportation Needs of an Aging Society

With the number of Americans over 65 expected to increase by half by 2020, we must begin addressing the need to ensure the continued transportation mobility, independence and safety of our senior citizens. We want to keep older Americans driving their cars as late in life as they can do so safely. We also want to ensure that they have attractive alternatives to driving -- such as Portland, Maine's ride-share program, which provides senior citizens with safe, affordable door-to-door transportation 24-hours a day, 7 days a week. In the coming months, the Department of Transportation will hold six town meetings across the country to begin a national dialogue on this important subject. The resulting action plan will help us ensure that the billions of taxpayer dollars spent on transportation each year provide transportation choices that are safe, accessible and attractive to older adults.

Background

As a follow-on to the White House Conference on Aging in 1995, DOT conducted a study of how to improve transportation for an aging society. DOT's 1997 report concluded that while there is no immediate problem, that could change in a few years. There are two major goals. The first is to keep people driving as late in life as possible, as long as they can do so safely. Toward that end, we need to promote technology and training that allow for seniors to continue to operate vehicles safely (e.g., night vision technology in cars; better placement of road signs to give seniors more time to react). We also need to improve screening and evaluation techniques, to detect when people should no longer be driving. The second major goal is to provide, attractive non-driving transportation alternatives for senior citizens. (See attached description of Portland, Maine's Independent Transportation Network as an example.)

Although DOT has had research programs on older drivers since 1988, the Administration plans to step up this effort significantly. Over the course of 1999, DOT will develop a National Agenda on the Transportation Needs of an Aging Society, with the theme of "Safe Mobility, for Life." First, the National Academy of Sciences will lead an effort to update DOT's 1988 research plan on transportation needs of the elderly. Second, DOT will hold a series of forums and town meetings across the country for senior citizens, medical and social service providers, and transportation professionals. The goal is to begin a national dialogue to identify the major challenges and share best practices; among other things, DOT will distribute three handbooks it is currently developing, on highway design and operation; driver assessment and regulation; and best practices on alternative (to driving) transportation choices. Third, we will hold an international conference on transportation needs of the elderly in November at NIH, as part of the UN's Year of Older Persons. Through the resulting "national agenda," or plan of action, DOT can influence the expenditure of billions of federal (TEA-21) dollars.

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<u>Background</u>

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Independent Transportation Network
Portland, ME
Kathy Freund, Manager
207/828-8608

One of the most exemplary systems for providing transportation for seniors is the Independent Transportation Network in Portland, ME. This computerized ride-share program provides senior citizens with safe affordable door-to-door transportation in automobiles driven by a mix of paid and volunteer drivers. It preserves its members independence and autonomy by freeing them from having to ask for transportation favors from family and friends -- while their families have the peace of mind of knowing their loved ones have an appropriate alternative to driving, available 24 hours a day, 7 days a week. If their adult children or grandchildren so desire, they can contribute to the member's personal transportation account to pay for rides. For the community, it assures seniors can make their healthcare appointments, and participate in social, spiritual and cultural activities. For businesses, it assures that senior customers can be steady patrons, and arrive securely at each leg of the trip.

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U.S. Department of Transportation
Office of the Secretary of Transportation

400 Seventh St. S.W.
Washington, D.C. 20590

To: Dorothy Robyn

Fax: 456 2223

Pages including this cover sheet:

From: LINDA LAWSON, ACTING DIRECTOR

OFFICE OF TRANSPORTATION POLICY DEVELOPMENT

202-366-4835

Fax: 202-366-3393

Comments: Parkland example
Per Phone Conversation

fax

TRANSMISSION

November 2, 1998

TO: Gene Sperling and Sally Katzen
FROM: Dorothy Robyn
SUBJ: State of the Union Ideas

TRANSPORTATION:

A. 1999 Will be the "Year of Aviation"

- A blue-ribbon panel concluded last year that the U.S. air transportation system faces "gridlock" within a decade without sweeping changes.

- Economists estimate that airline deregulation saves Americans $20 billion a year. But there are "pockets of pain" (e.g., poorly served rural areas) and evidence of anticompetitive practices aimed at blocking new entrants.

- The Administration has extended the benefits of competition by negotiating dozens of bilateral open-skies agreements. We should press our trading partners for World Wide Open Skies and explore lifting other restrictions on foreign aviation investment and operation, to enhance domestic competition.

    1. Administration's FAA reauthorization bill will provide a vehicle for pursuing two sets of initiatives. The first is aimed at ***improving safety and efficiency of the nation's aviation system***, in response to dynamic growth in the use of that system. The second is aimed at ***improving service to rural areas and enhancing competition*** in domestic aviation.

        - Centralize air traffic control services (ATS) in a performance-based organization.

        - Finance ATS for commercial aviation through cost-based user fees.

        - Increase Passenger Facility Charges (PFCs) to finance airport expansion nationwide.

        - Modify federal rules on how airports can use PFCs and other funds to encourage attraction of new airline entrants. [Adopt/propose other recommendations of DOT's Task Force on Airport Practices and Competition, due to report in March.]

- [Adopt/propose recommendations of DOT's ongoing review of Computer Reservations Systems and the DOT IG's investigation of travel agent commission overrides/bonuses.]

- [Mandate interline and baggage agreements at dominated hubs, and propose other ways to enhance service to underserved areas, drawing on the USDA/DOT Task Force on Rural Transportation]

2. DOT is proceeding with the rulemaking on its ***proposed guidelines to curb anticompetitive behavior*** by the major airlines toward new entrants. DOT plans to finalize its guidelines early in 1999; Congress has 12 ***legislative*** weeks to study the guidelines before DOT can implement them.

4. DOT should explore ***changes in our international policies that could significantly enhance domestic competition***. Current policies limit foreign investment in U.S. airlines and prohibit operation of foreign airlines within the U.S., among other things. Most countries have similar restrictions. The most likely scenario is a reciprocal lifting of restrictions by the U.S. and the EU. A first step might be to allow (on a reciprocal basis) foreign entities to purchase or establish a U.S. airline, which would employ Americans and be subject to DOT/FAA regulation.

B. Auto Safety

- We are making headway on auto safety: Last year, the rate of auto fatalities declined, following a long plateau, and the absolute number of fatalities declined as well, even as the economy expanded.

- But we still have a long way to go: More than 40,000 Americans die in auto accidents each year, at a direct cost of $150 billion. The key is seatbelts (more) and alcohol (less).

1. The President's goal of 85% seatbelt compliance by the year 2000 would save 4,000 lives and nearly $7 billion.

    - education and promotion (e.g., Buckle-Up America campaign)

    - enforcement

2. TEA-21 requires states to lower the legal blood alcohol content level from .10 to .08.

3. A new Administration initiative on children's safety will target four major problems: unintentional injuries -- primarily auto accidents and fires, asthma, childhood cancer and developmental disabilities. The initiative will promote use of child safety seats, booster seats (for children ages 4-8), and bicycle helmets.

C. Transportation for Sustainable Development and "Smart Growth"

- We must move beyond the false choice between prosperity and environmental protection: Our problems stem not from growth, but from ***thoughtless*** growth.

- Sensible, flexible transportation initiatives can improve both our economy and our quality of life.

1. **Investing in Sustainable Transportation**. TEA-21 authorizes a record $41 billion over the next six years for transit; increases tax-free transit benefits; and expands communities' ability to transfer funds from highway construction to transit, bicycle and pedestrian programs, telecommuting and other forms of transportation that reduce congestion and pollution.

2. **Empowering Communities to Make Smart Choices.** TEA-21 expands communities' ability to choose the right transportation investments for their needs. As result of a new policy DOT announced in April, communities also can now use federal funds to clean and reuse polluted urban properties called "brownfields," preserving farms and forests for the future.

3. **Making Communities More Livable.** The Livable Communities and Transportation Enhancements initiatives support low-cost projects with big quality-of-life benefits, such as bicycle paths and historic preservation. The Transportation and Community and System Preservation Pilot program helps communities develop innovative transportation land-use strategies.

D. Welfare-to-Work Transportation/Access to Jobs

- One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and day care centers.

- The newly announced Access to Jobs and Reverse Commute grant program will help states and communities bridge that transportation gap.

1. On Oct. 22, Secretary Slater announced a $75 million "Job Access" grant program for new and expanded transportation services targeted to welfare recipients and other low-income people. (Up to $10 million can go for the "Reverse Commute" program to provide transportation to far-away suburban jobs.) The program requires matching funds (including other federal funds), so it will generate $150 million in new and expanded transportation services.

2. Although Congress appropriated only $75 million of the $150 million authorized in FY99, the Administration will (I assume) fight to get the full $150 million in FY2000.

E. National Agenda for the Transportation Needs of an Aging Society

- One of the fastest growing segments of our society is older adults, who are enjoying longer, healthier lives. With the number of Americans over 65 expected to grow by half by 2020, we must concern ourselves now with the need to ensure their continued mobility, independence and safety in their later years.

1. In conjunction with the United Nations Year of Older Persons, which began this fiscal year, DOT is developing a National Agenda to serve as a blueprint of needed actions to ensure that we meet the transportation needs of older Americans. DOT will hold six "town meetings" with senior citizens, medical experts, transportation safety specialists and others to discuss the problems and challenges and identify best practices.

2. The U.S. will host an international conference on the transportation needs of the aging at NIH in November 1999.

F. Enhancing Rural Access through Improved Rail Competition

The Administration's Surface Transportation Board reauthorization bill provides a vehicle to address this issue. [Agenda TBA]

ENERGY/ENVIRONMENT:

A. Comprehensive Electricity Competition Act

- The Administration's Comprehensive Electricity Competition Act will save consumers $20 billion a year. And it combines those economic savings with environmental benefits -- both saving the typical family of four more than $230 ***and*** reducing greenhouse gas emissions. Retail competition will strengthen incentives to improve efficiency, and reduce the two-thirds waste of energy currently associated with fossil-fuel generation of electricity -- thereby cutting greenhouse gas emissions, saving money, reducing pollution, and conserving fuel.

1. In January, the Administration will resubmit its proposed "Comprehensive Electricity Competition Act," to make the electricity industry more competitive and to provide more choices for industrial, commercial and residential customers.

2. The Administration will have to use the bully pulpit and other means to ensure that Congress -- which is certain to take up electricity restructuring next session -- enacts a good bill.

B. "Distributed Generation" or "Micropower"

- Moving from large central station generation of electricity to dispersed generation by small, clean sources is analagous to the move from main frame computers to personal computers.

The natural follow-on to electricity restructuring is "distributed generation" or "micropower". The goal is to maximize the savings and environmental benefits from electricity competition through small, clean, efficient generation technologies such as natural gas microturbines, fuel cells, combined heat and power systems, and photovoltaics that can be installed at or near an electricity customer's site. The guru of this approach, Trigen CEO Tom Casten, greatly impressed the President at a recent climate change conference (and helped persuade EPA and CEQ that competition would be good for air quality). Kasten's soon-to-be-released book is expected to generate considerable interest.

1. **Legislation:** The current regulatory structure includes many barriers that make it difficult to deploy small generators despite their economic and environmental benefits over central station power plants. The Administration's proposed electricity restructuring bill removes many of those barriers, including providing for uniform national standards for interconnecting micropower systems to the electric grid. But other barriers remain, including regulations that discriminate against distributed generation, lack of available backup power, state regulation of the sale of steam, and state stranded-cost recovery policies. [DOE may want to try to add language to our restructuring bill to deal with these issues.]

2. **R&D:** DOE may need to undertkae a modest new program to examine technical and regulatory issues common to all micropower technologies.

3. **Bully pulpit**: Few business that are potential customers of micropower are aware of this approach.

DEFENSE: "A Revolution in Business Affairs"

- Our Administration came into office determined to adapt our defense technology and weapons acquisition strategy to the post-Cold War world. First, we recognized that because many of the new technologies most critical to our national defense are in the commercial sector, the military must rely much more heavily on commercial or dual-use technologies, products and processes. Second, we knew that in a world where the newest microchips or lasers were increasingly for sale to any nation that wanted them, we must be the first to incorporate the best technologies into our weapons in the field. Third, we believed that at a time when Cold War defense budgets were no longer necessary or sustainable, we had to focus on affordability as well as the performance of new weapon systems.

- To meet these challenges, we have undertaken a series of initiatives that will enhance our technology and defense industrial base as powerful national security assets in the 21st century.

  1. **Reforming Acquisition Methods:** This Administration has undertaken the most revolutionary changes in defense acquisition in 50 years. At the President's urging, Congress passed landmark legislation that allows the Pentagon to do business more like commercial industry -- and more business with commercial industry. [Summarize what DoD plans to propose in the next Congress.]

  2. **Competitive Sourcing:** Like the best U.S. companies, DoD has embarked on an aggressive effort to privatize and outsource many functions now carried out internally. [Summarize proposed initiative.]

  3. **Reforming Logistics Systems:** [Summarize what's proposed.]

[I continue to think we should be taking far more credit for the momentous changes we've made in government procurement, privatization, etc., as it relates to national security. The best hook may be a REGO hook, because it's very performance-based and customer-focused; DoD actually talks about the warfighter as their "customer."

Despite all we've done, there's an enormous amount left to do, and DoD has some good proposals in the hopper. The term "revolution in business affairs" is a takeoff on "revolution in military affairs," referring to a cutting-edge view about the influence of information technology on how wars will be fought in the future.]

November 14, 1998

MEMORANDUM FOR GENE SPERLING
FROM: Dorothy Robyn
SUBJ: Status Report on New Ideas

TRANSPORTATION:

1. **Aviation**

Description: DOT/ FAA are drafting an FAA reauthorization bill, drawing on last year's Administration bill (which Congress did not act on): The bill will propose to a) create a PBO to manage air traffic control services (ATS) and b) finance ATS with a cost-based user's fee. It will also propose c) a lifting of the $3 cap on the Passenger Facility Charges (PFCs) that local airports can charge (last year, we raised cap to $4; we may go higher this year). In addition, the bill will contain provisions to promote competition and enhance service to rural areas.

Process: DOT/FAA working groups, with OMB and NEC involvement. Working groups are drawing on DOT's task force on airports and airport practices and competition, as well as on a series of listening sessions Secretary Slater is holding around the country on aviation.

Timeline: We will send bill to Congress at same time as our budget. We may send additional competition provisions up in March, when DOT's task force on airports/airport practices and competition completes its work.

Other: I am meeting early next week with DOT budget/policy officials to discuss funding for key programs.

Comments: User fees will be an uphill battle, but that and other proposals to improve FAA management/operation are critical.

2. **Rural Transportation**

Description: a) Our FAA reauthorization bill will contain several provisions to enhance service to smaller communities (see #1 above). b) We have opportunity to propose ways to enhance rail competition to farmers and other underserved shippers, as part of legislation to reauthorize the Surface Transportation Board (STB).

Process: There is a vacuum at DOT on rail competition policy for reasons I don't understand. After 3 months of unsuccessful efforts to get proposals from DOT on enhancing rail competition, I have taken this on myself and am putting together a working group from CEA, DOJ, USDA and DOT to develop some options for an STB reauthorization bill. There is a genuine problem, largely as a result of the Union Pacific/Southern Pacific merger, which the STB approved over the objections of DOJ, DOT and USDA. And shipper groups and economists are considering some interesting ways to reduce those problems. A bipartisan group of senators (Dorgan, Rockefeller, Burns and Brownback) will re-introduce their Shippers Protection Act, which draws on some of these ideas. However, Rep. Shuster may again block, as he did this year, any legislation that the GOP-oriented railroad industry opposes.

Timeline: If our working group decides that there are some good options for enhancing rail competition, I would envision completing draft legislation by the end of the year, so that the Administration could send an STB reauthorization bill to Congress along with the budget.

3. **Auto Safety**

Description: This largely involves continued implementation of efforts we have already announced, including the President's goal of 85% seatbelt compliance by 2000 and enforcement of the TEA-21 provision which would withhold highway funds from states that do not lower the legal blood alcohol content level from 1.0 to .08. What's new here is an HHS/DOT initiative targeting children's safety, including auto safety. But the major emphasis of that initiative is on asthma, even though auto safety may be a more important cause of death.

Process: DPC should take the lead on this, as it did when Elizabeth Reid was there. I will schedule a meeting with Phil Recht, NHTSA deputy administrator, both to introduce him to DPC staff (Tom Freedman and Mary Smith) and to agree on next steps on auto safety.

4. **Transportation Needs of an Aging Society**

Description: NHTSA has proposed to Slater that DOT develop a National Agenda on the Transportation Needs of an Aging Society, with the theme of: "Safe Mobility, for Life." a) DOT would update its research plan on transportation needs of the elderly, which the

National Academy of Sciences developed 10 years ago. b) DOT would also hold a series of forums for professions and town meetings for older people, all around the country, culminating in an international conference next November at NIH. Through the resulting "national agenda," DOT could influence the expenditure of billions of federal (TEA-21) dollars so as to make transportation choices safer and more available and attractive to older adults.

Process: NHTSA has submitted a proposal (attached) to Slater, which he is expected to approve. NHTSA is currently developing three handbooks, on highway design and operation; best practices on alternative (to driving) transportation choices (e.g., on-demand van services); and driver assessment and regulation.

Timeline: DOT would like to present this to the National Academy's Transportation Research Board in mid-January, and begin the forums and town meetings soon after, culminating in the November 1999 conference at NIH.

5. **Smart Growth/Sustainable Development**

Description: A draft report by CEQ/OVP lays out 17 concrete actions the federal government can take to encourage collaboration, disseminate information, provide incentives and align actions. TEA-21 is key, because it provides funding for everything from transit ($41 billion over 6 years) to bike trails to sustainable land-use pilot programs.

Process: CEQ/OVP have most of the action on this. I plan to talk with Bruce Katz about the Metropolitan Planning Organizations (MPOs), which must approve transportation planning decisions under TEA-21. The federal government must certify MPOs; Bruce believes MPOs can play a key role in urban policy, more broadly.

Timeline: CEQ/OVP tentatively plan to release their report in December.

Comment: An op-ed by E.J. Dionne in yesterday's Post identified urban sprawl as a good issue for Democrats next year, and a recent Times op-ed by Richard Moe noted the widespread success of smart growth referenda in last week's state and local elections.

ENERGY/ENVIRONMENT

1. Electricity Restructuring

Description: The Administration will resubmit its Comprehensive Electricity Competition Act, which would save consumers $20 billion a year. Congress is going to deal seriously with electricity deregulation next year.

Process: DOE is drafting several additional provisions to CECA, which they will send OMB/NEC shortly for interagency clearance. I do not anticipate any controversy.

Timeline: We plan to transmit CECA to Congress in January.

Comment: The economic implications of energy restructuring are immense.

2. Distributed Generation ("Micropower")

Description: We will pursue legislation to eliminate obstacles to the use of small, clean efficient generation technologies that can be installed at or near the electricity user's site.

Process: DOE needs to draft the legislation and submit it to OMB/NEC for interagency clearance. Although there may be some interagency disagreement over proposed changes to some environmental regulations, distributed generation is an approach that environmentalists strongly support.

Timeline: If possible, DOE would like to include this as part of CECA.

Jonathan Orszag 12/16/98 03:45:32 PM

Record Type: Record

To: Dorothy Robyn/OPD/EOP

cc:
Subject: Are these ok?

Transportation for the Elderly. With the number of Americans over 65 expected to grow by half by 2020, we chould begin addressing the need to ensure their continued mobility, independence and safety in their later years. We are looking at this issue with DOT, which plans to hold six town meetings soon with senior citizens, medical experts, transportation safety specialists, and others to discuss the problems and challenges and identify best practices. The U.S. will host an international conference on this topic next year, in connection with the United Nation's Year of Older Persons. This could be combined with the long-term care and the housing for the elderly initiatives. [IS THERE SOMETHING ON THE PORTLAND OREGON EXAMPLE WE COULD ADD HERE?]

Year of Aviation -- FAA Reauthorization. A blue-ribbon panel concluded last year that the air transportation system faces "gridlock" within a decade without sweeping changes. We are considering various policy options to incorporate into the FAA reauthorization that you will likely propose in 1999 that will: (1) improve the efficiency and capacity of the nation's aviation system, and (2) enhance competition and service to rural areas. Some of the components of this initiative would include: centralizing the air traffic control services (ATS) in a performance-based organization; financing ATS for commercial aviation through cost-based user fees; increasing Passenger Facility Charges (PFCs) to finance airport expansion nationwide; modifying federal rules on how airports can use PFCs and other funds to encourage new airline entrants; and enhancing service to underserved areas. We are also looking at ways to further competition in international aviation. The Administration has extended the benefits of competition by negotiating dozens of bilateral open-skies agreements. We could press our trading partners for World Wide Open Skies and explore lifting other restrictions on foreign aviation investment and operation on a reciprocal basis.

Auto Safety. Last year, the number and rate of auto fatalities declined. However, we still have a long way to go --more than 40,000 Americans die in auto accidents each year, at a direct cost of $150 billion. The keys are seatbelts (more) and alcohol (less). We are working on a comprehensive initiative that would include: (1) meeting the President's goal of 85 percent seatbelt compliance by the year 2000, which would save 4,000 lives and nearly $7 billion; (2) promoting education initiatives like the Buckle-Up America campaign; (3) enforcing the TEA-21 requirement that states lower the legal blood alcohol content level from .10 to .08; and (4) pushing a new Administration initiative on children's safety that will target auto accidents, among other problems, by promoting the use of child safety seats, booster seats (for children ages 4-8), and bicycle helmets.

TRANSPORTATION
FOR ELDERLY

U.S. Department of Transportation
Office of the Secretary of Transportation

November 2, 1998

NOTE TO: THE SECRETARY
THE DEPUTY SECRETARY

FROM: Gene Conti, Jr.

SUBJECT: Attached memo on *A National Agenda for the Transportation Needs of an Aging Society*

Should you concur in this initiative, there is a chance that the AARP may be willing to do a cover story on it for the January edition of their monthly magazine, which will reach 33 million readers. It is therefore of some importance that this package be considered promptly.

CC: Bill Schulz

U.S. Department of Transportation
Office of the Secretary of Transportation

Memorandum

Subject: ACTION: National Agenda for the Transportation Needs of an Aging Society

Date: November 3, 1998

From: Dr. Ricardo Martinez
Administrator, National Highway Traffic Safety Administration

Reply to Attn. of: J Eberhard x65595
DTrilling x64220

To: Eugene A. Conti, Jr.
Assistant Secretary for Transportation Policy

To: The Secretary
Thru: The Deputy Secretary

Summary: The Department has an unusual opportunity to prepare for the marked increase in the number of elderly transportation users when the Baby Boomer generation begins to reach age 65. We propose the development of a national agenda on the transportation needs of an aging society. It would include the updating of our research plan, a series of forums for professionals, and town meetings for older people, culminating with an international conference in 1999. The synthesis of the findings of transportation managers from state and local governments, the safety community, care givers, the private sector, professional organizations and older people themselves would be used to generate a plan of action.

Background: As a follow-on to the broader, more general White House Conference on Aging in 1995, the Department conducted its own study on how to improve transportation for a maturing society. Its 1997 report indicated that while the present situation regarding the safety of older adults is not yet a matter of immediate concern, there could be a substantial problem downstream. Further, linked to the safety and health of older adults is the far broader problem of providing transportation options for older Americans. The report also proposed the Department adopt for its planning purposes the goal of: *Safe Mobility, For Life.*

You have indicated the high priority you place on this issue and your desire that the Department undertake additional initiatives to assure the continuing safe mobility for older adults. This is truly a ONE-DOT issue, and the DOT Policy Council and the Modal Safety Council have been working together on it. The operating administrations have generated an array of research and development products that are coming to fruition, including: a NHTSA screening and assessment system for older drivers, several FTA programs that seek to find the best forms of alternative mobility for older people, and an FHWA handbook on highway design features for older people (the subject of a recent AASHTO workshop).

The passage of TEA-21 provides great new opportunities for preparing for our growing aging population. Billions of dollars are becoming eligible to be spent on making our transportation choices safer and more available and attractive to older adults; new pedestrian crossings (especially critical near senior centers and old age care facilities); new intersection designs (older adults are disproportionately represented in crashes involving left turns across traffic); behavioral safety grants (fatalities for pedestrians over 70 are twice their proportion in the population); R&D (the death rate for those over 80 in crashes is much higher because of their higher fragility); various ITS projects (we must assure that modern technology truly assists rather than overwhelms older drivers); and new levels of accessibility for the considerable number of elderly who are disabled.

One salient feature of the *Safe Mobility, For Life* theme is the premise that our policies should provide older adults with more transportation choices, especially in areas with limited travel alternatives, to ensure their safety and mobility. Not only do we want older drivers to maintain their independence as late in life as possible, we also want to enrich the transportation options they can consider, from walking and biking, to transit and paratransit for local transportation, to numerous forms of attractive intercity transportation. Included in this would be building an awareness that they must consider their future transportation needs as they retire, and educating them on how to use the options that will be available, as alternatives to driving. Additionally, it is important for the Department to improve screening and evaluation systems to assure that older adults can continue to safely operate their vehicles.

Thus, a national dialog is called for, to address the transportation needs of older adults, identify where the system is falling short, and what remedial measures are viable. Included in this dialog should be practitioners and authorities as well as such advocacy groups as the AARP, APTA, the AAA, and the private sector. An illustrative sampling of these groups will be found at Attachment 1. We have held informal discussions with some of these potential partners, from both the public and private sectors, and can move to a more formal solicitation of their participation upon your concurrence.

Proposal: We will update the transportation research blueprint for the next 25 years. The TRB 1988 research plan served as a guideline for much of the Department's research on older adult issues, and much of it is being successfully applied in the field. It needs to be revised to reflect the research that has been accomplished, the new safety needs that have been identified, and the new priorities that should be established. That work would result in a peer reviewed update of *Transportation for an Aging Society - Initiatives Drawn from a Decade of Experience.*

We will have DOT lead a series of forums and town meetings to be held in 1999, that would bring the current state of the art and programs to transportation professionals, medical and social service providers, and older people and their lay care givers. They would include practical guidance to those people who deal with older person transportation issues on highway design and operation; best practices on transportation choices; and driver assessment, rehabilitation, and regulation. We have been conducting informal discussions with various members of the safety

community on possible sites, and several are ready to proceed. A prospective list is included in Attachment 2.

The results of the forums and town meetings and the upgraded research plan will enable the Department to lead the country in the drafting of a National Agenda, to meet the transportation needs of older adults. It will be refined and confirmed at an international conference at the National Institutes of Health in November 1999, which will address the findings of the workshops in both the operational and research contexts, and the research needs for the next 25 years. Exemplary programs would be showcased, and the prospects for their replication in other areas of the country (and perhaps around the world) would be evaluated. The conference will also be part of the Administration's contribution to the celebration of the United Nations International Year of Older Persons. Through this process, the Department will be able to establish a blueprint that documents for all interest groups what needs to be done to manage the safe transportation for older adults in the next century. It will also provide a good base for the reauthorization of TEA-21.

Our estimates of the budget required to conduct these activities is found in Attachment 3. There is still a shortfall in the funding, and we feel that much of this can come from private sector sources. We will begin to formally solicit their support upon your concurrence. There will also need to be set up extensive coordination resources within the Department.

Recommendation: We recommend that you concur with the development of the National Agenda through the conduct of the forums and town meetings and the international conference.

Concur:__________ Date: __________

Nonconcur: _______ Date: __________

Attachments

cc: Administrator Molitoris,
Chair, Modal Safety Council

Attachment 1

Illustrative Sampling of Participants:

Government

DOT Elements
National Institute on Aging
Administration on Aging
VA
CDC

World Health Organization
United Nations

Access Board

State Consortia on older drivers
local governments
local Area Agencies on Aging.

Public Interest Groups

American Assoc of Motor Vehicle Administrators
American Assoc of of Homes and Services for the Elderly
AASHTO
APTA
APWA
American Occupational Therapy Association
American Driver Educators for the Disabled
American Institute of Architects
American Medical Association
Bicycle Federation of America
CTAA
Eno Foundation
National Association of Rail Passengers
National Safety Council
NAGSHR
Partnership for a Walkable America
Paralyzed Veterans of America
State Medical Associations.
SAE

Private Sector
AARP
AAA
Air Transport Assn
Amtrak
Catalog/Home Shopping Industry
Cruise Lines
ITS America.
IIHS
Travel Industry

Attachment 2

Potential Forum and Town Meeting Sites

North West:
Eugene, Oregon - Driving Decisions for Seniors
Seattle, Washington - Exemplary transportation system

South West:
Phoenix, Arizona - Requested conference, did one in 1993
San Diego, California - Safe Community, requested conference
Pasadena, California - Exemplary community programs with behind the wheel assessment

Central:
Oakland County, Michigan - Exemplary area agency on aging (AAA), state consortium on older persons' transportation issues
Springfield, Illinois - Requested conference, has conducted similar meetings
Wichita, Kansas - Exemplary driving transitions program in AAA with coordinated alternative transportation

South East:
St. Petersburg, Florida - Exemplary AAA
Birmingham, Alabama - Extensive R&D program on older drivers (NIA)

North East:
Glen Burnie, Maryland - State-wide consortium on Safe Mobility for Life, pilot testing model system
Portland, Maine - Exemplary alternative transportation system (ITN)

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Activity	Cost	Covered	From
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Six town meetings are envisioned, at sites to be mutually determined. Cost estimated at $20,000 ea	$120k	$20	FHWA
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Preparation of Strategic Plan and National agenda, synthesizing town meetings and conference, drafting strategic plan	$ 85k		
Post-conference extra meeting, preparing, publishing, and distributing the National Agenda	$ 40k	$20k	NHTSA
Totals	$500k	($205k)	
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FTA - [Tentative Commitment Until New Budget is Received and Analyzed]		(40k)	
From Nat'l Institute on Aging		(50k)	
Needed from Other Sources*	$205k		

*Potential Other Sources: Eno Foundation, AARP, AAA-TSF, 3M, CDC, Auto manufacturers, Insurance companies, Karlinski Institute (Stockholm)

TRANSPORTATION
FOR ELDERLY

U.S. Department of Transportation
Office of the Secretary of Transportation

November 2, 1998

NOTE TO: THE SECRETARY
THE DEPUTY SECRETARY

FROM: Gene Conti, Gene Conti

SUBJECT: Attached memo on *A National Agenda for the Transportation Needs of an Aging Society*

Should you concur in this initiative, there is a chance that the AARP may be willing to do a cover story on it for the January edition of their monthly magazine, which will reach 33 million readers. It is therefore of some importance that this package be considered promptly.

CC: Bill Schulz

U.S. Department of Transportation
Office of the Secretary of Transportation

Memorandum

Subject: **ACTION**: National Agenda for the Transportation Needs of an Aging Society

Date: November 3, 1998

From: Dr. Ricardo Martinez
Administrator, National Highway Traffic Safety Administration

Reply to Attn. of: J Eberhard x65595
DTrilling x64220

To: Eugene A. Conti, Jr.
Assistant Secretary for Transportation Policy

To: The Secretary
Thru: The Deputy Secretary

Summary: The Department has an unusual opportunity to prepare for the marked increase in the number of elderly transportation users when the Baby Boomer generation begins to reach age 65. We propose the development of a national agenda on the transportation needs of an aging society. It would include the updating of our research plan, a series of forums for professionals, and town meetings for older people, culminating with an international conference in 1999. The synthesis of the findings of transportation managers from state and local governments, the safety community, care givers, the private sector, professional organizations and older people themselves would be used to generate a plan of action.

Background: As a follow-on to the broader, more general White House Conference on Aging in 1995, the Department conducted its own study on how to improve transportation for a maturing society. Its 1997 report indicated that while the present situation regarding the safety of older adults is not yet a matter of immediate concern, there could be a substantial problem downstream. Further, linked to the safety and health of older adults is the far broader problem of providing transportation options for older Americans. The report also proposed the Department adopt for its planning purposes the goal of: *Safe Mobility, For Life.*

You have indicated the high priority you place on this issue and your desire that the Department undertake additional initiatives to assure the continuing safe mobility for older adults. This is truly a ONE-DOT issue, and the DOT Policy Council and the Modal Safety Council have been working together on it. The operating administrations have generated an array of research and development products that are coming to fruition, including: a NHTSA screening and assessment system for older drivers, several FTA programs that seek to find the best forms of alternative mobility for older people, and an FHWA handbook on highway design features for older people (the subject of a recent AASHTO workshop).

The passage of TEA-21 provides great new opportunities for preparing for our growing aging population. Billions of dollars are becoming eligible to be spent on making our transportation choices safer and more available and attractive to older adults; new pedestrian crossings (especially critical near senior centers and old age care facilities); new intersection designs (older adults are disproportionately represented in crashes involving left turns across traffic); behavioral safety grants (fatalities for pedestrians over 70 are twice their proportion in the population); R&D (the death rate for those over 80 in crashes is much higher because of their higher fragility); various ITS projects (we must assure that modern technology truly assists rather than overwhelms older drivers); and new levels of accessibility for the considerable number of elderly who are disabled.

One salient feature of the *Safe Mobility, For Life* theme is the premise that our policies should provide older adults with more transportation choices, especially in areas with limited travel alternatives, to ensure their safety and mobility. Not only do we want older drivers to maintain their independence as late in life as possible, we also want to enrich the transportation options they can consider, from walking and biking to transit and paratransit for local transportation, to numerous forms of attractive intercity transportation. Included in this would be building an awareness that they must consider their future transportation needs as they retire, and educating them on how to use the options that will be available, as alternatives to driving. Additionally, it is important for the Department to improve screening and evaluation systems to assure that older adults can continue to safely operate their vehicles.

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American Medical Association
Bicycle Federation of America
CTAA
Eno Foundation
National Association of Rail Passengers
National Safety Council
NAGSHR
Partnership for a Walkable America
Paralyzed Veterans of America
State Medical Associations.
SAE

Private Sector
AARP
AAA
Air Transport Assn
Amtrak
Catalog/Home Shopping Industry
Cruise Lines
ITS America,
IIHS
Travel Industry

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Improving Transportation

for a

Maturing Society

U.S. Department of Transportation

Office of the Assistant Secretary
for
Transportation Policy

January 1997

DOT-P10-97-01

Roy Kienitz (974-5138) | Harriett Tregoni 260-2750

- Al Eisenberg
- tech czar

John Horsley

Gene Conti - Md. Secy of Labor (Md. program)

- low-cost, low risk

- Don't — (or move) EPA's "smart growth" program as part of reorg. of David Gardner's office

  — This is bottom-up thing
  - Best way to deal w/ it is by creating lots r's/p/shops/outreach w/ small amt. of $

- Not clear there are policies that are

- It's more a matter of $.

- house
- FHA/VA loans
- sewer collectors

But most is in part

It's supporting

- Brownfields policy / EPA
  - have less stringent clean-up policies in parcels that will be re-used

- GSA - Invest in inner cities / but earmark problem

- Postal Service
  - rep. for shutting POs downtown + putting them in suburbs
  - Blumenauer bill

Fannie Mae

lends $1 trillion/yr.

- "Location-Efficient mtg."

- Computer software

shd affect how much you can borrow

Total common sense

But

If you put software program we'll re-purchase

"underwriting experiment"

Gore speech at Brookings:

- $177 for land acquisition to protect

Oct. 3

rpt. released a week later

- Fannie Mae - location - efficiency

Recruits feds can engage in

Small ideas are worthwhile but not very sexy

50-50 matching grant prog:
for states to do land
acquis. if states have a
plan

Figure out
Identify what people are
already doing & support
it rather coming up w/
something ~~[illegible]~~ altogether
new.

How much $

Trans & Commu'ty Pilot — $125 mil
6 yrs.

($16M

$6B — new transit starts

(

flex. fed. $ next car

DOT has direction to
certify (recertify) MPOs (every 3-4
yrs)

Traditionally DOT has been very acquiescent

Boston

Atlanta

Suit filed today. If not we're waiting

- 10-20 Small Airports

- Begin to

"

Md program — $s targeted
to "smart growth" areas
as designated by local
govts.

Ideas for State of the Union input from DOT: Horsley 6-5781

Safety: Praise States which have achieved President's goal for year 2000 of 85% Seatbelt compliance, commend private sector partners who have joined the Buckle-up America Campaign and use bully pulpit to urge remaining States and their private sector partners to pull out the stops and achieve the goal of saving 4,000 lives annually.

Year of Aviation: Outline goals for year of Aviation to pass legislation providing for long-term financing of Safer Skies and FAA system modernization, dedicated trust funds and PFC flexibility to finance airport expansion nationwide; press international partners to join U.S in a new era of World Wide Open Skies; a get tough policy against predatory practices and in favor of fair competition to provide consumers with better service and affordable fares; and a challenge to cities to improve access to airports.

Y2K: Issue challenge to industry to join government in making an extraordinary effort to bring all critical systems into compliance by year's end.

Building Better Communities: Invite communities to join in a national dialogue on how to build better communities, through transportation and development policies which reduce congestion, improve neighborhood access to trails, bike paths, parks, schools, and convenience stores; discourage sprawl to save taxpayers in the exburbs from the costs of building new schools, water and sewer lines, and revitalize downtowns and older suburbs.

Technology: Announce progress in PNGV, GPS and ITS and challenge industry, States and localities to move forward with deployment to offer communities and individuals the fruits of these innovations in the 21st Century.

NOV.19.1998 8:46PM NO.624 P.1

U.S. Department of Transportation
Office of the Secretary of Transportation

400 Seventh St. S.W.
Washington, D.C. 20590

To: D. Robyn

Fax: 456-2223

Pages including this cover sheet: 8

From: LINDA LAWSON, ACTING DIRECTOR

OFFICE OF TRANSPORTATION POLICY DEVELOPMENT

202-366-4835

Fax: 202-366-3393

Comments:

fax TRANSMISSION

U.S. Department of Transportation Potential State of the Union Messages
November 19,1998

Safety. Transportation safety is our number one priority. Although we have the safest transportation system in the world, transportation crashes still take a terrible toll on the families of our nation and place a huge burden on our economy. We will increase our efforts to make transportation safer for Americans.

- Aviation Safety. We must make aviation even safer than it is today. One key to reducing safety problems is partnering with the aviation community to share information and identify and solve safety problems before an accident can occur. Continued research in areas such as aging aircraft, fire safety, and weather will ensure implementation of effective safety programs. Satellite-based technology guides pilots on approach to ensure safe landings. Satellite signals must be protected so that they provide an adequate level of safety for aviation operations. And we will achieve full Year 2000 compliance for our air traffic control systems and other critical navigation systems.

  International cooperation with other nations in the areas of aviation safety and security is essential to support United States global economic and social goals for the next century. Building on the "Safe Skies for Africa" initiative, the U.S. will lead an international cooperative effort through the United Nations and other international groups targeting resources to improve safety and security in the global aviation system.

- Highway Safety. We are moving aggressively on implementing the safety programs enacted in TEA-21. We have made progress -- the highway fatality rate fell to a record low in 1997. However, highway crashes still take a terrible toll in lives lost and cost $150 billion annually; we are committed to improving our transportation safety record.

  Truck safety is one major area for future safety gains. For the second year in a row, the number of fatalities in crashes involving heavy trucks has increased, even though the rate of truck crashes is down. Pressure will continue to grow in the truck safety area -- particularly as truck travel continues to increase at a significantly faster rate than car travel.

  The figures are staggering -- nearly six million single-unit trucks and two million combination-unit trucks are expected to travel some 200 billion miles by the year 2000. Although TEA-21 significantly increased the amount of funding available to states for motor carrier safety programs (close to $600 million over the six-year period) and for Commercial Vehicle related ITS programs (almost $200 million over six years), there is still more to be done.

  With our state partners, we need to refocus truck inspections and audits to eliminate the "bad actors" on the road, to develop safety-oriented policies regarding hours of service and truck size and weight, and to aggressively pursue the goal of reduced accidents and fatalities.

- Another major focus will be on child safety. We will continue our work to reduce the transportation-related senseless deaths and unintentional risks to our children. Sixty two percent of the children under 15 killed in motor vehicle crashes in 1996 were unrestrained. We can reduce these tragedies.

  We challenge Governors and state legislators to pass primary child occupant protection laws requiring seat belt and booster seat use for all minors. TEA-21 is providing $83 million over five years for new child passenger protection education incentive grants and new incentive grants for occupant protection that will, among other actions, encourage states to pass child protection laws.

  The number one killer of teenagers (15-20) is the automobile. In 1997, almost 6,300 teenagers died in car crashes -- 121 each week. Over 60 percent of teen passenger fatalities died with a teenager at the wheel. We challenge Governors and State legislators to adopt graduated licensing programs for novice drivers under 18. This proven technique will reduce teen crashes by giving teenagers time to become experienced at driving. States, such as California and Florida, who have adopted this program have reduced teen crashes from between 5 and 16 percent. Ontario, Canada reduced their teen crashes over 30 percent using graduated licensing.

  Through the Presidential Task Force on Protecting Children from Environmental and Health Safety Risks, DOT is working to prevent other unnecessary injuries and death. We have set the following national goals to be achieved by 2004:

  - Increase child safety seat use to 89% (from 63%);
  - Increase booster seat use in vehicles to 50% (from 6%);
  - Increase seat belt use among children to 89% (from 65%); and,
  - Reduce the number of children killed while riding bikes without helmets by 10%.

Transportation Equity Act for the 21st Century. The Transportation Equity Act for the 21st Century (TEA-21) will shape the future of America by providing record levels of investment in our nation's transportation infrastructure. These investments will be made within a balanced budget and honoring other critical national priorities. DOT's implementation of this historic act will ensure accessible, integrated, and efficient transportation for all Americans. It will support economic growth, and protect our communities and the natural environment. It expands opportunities through a new program helping those make the transition from welfare to work and a continued strong disadvantaged business enterprise program. TEA-21 provides our state and local partners across the nation with $198 billion for surface transportation through FY 2003. It will help us rebuild America's infrastructure, improve safety, invest in our future while protecting our environment.

We will aggressively implement the provisions of this Act:

- Continued flexibility allowing local decision makers to fund local transportation needs

- Continued and expanded innovative financing programs to attract new capital for transportation investment;
- Record levels of investment in transit ($41 billion over the next six years);
- Expansion of highway safety programs;
- Continued investment in the core highway infrastructure program, with renewed emphasis on maintenance;
- New border crossing and trade corridor programs to support expanded trade, and
- Continued strong disadvantaged business enterprise program.

TEA-21 continues DOT's commitment to building strong and livable communities. It expands our citizens' ability to make transportation choices that foster smart development and are suited to their community's needs. The new transportation and community and system preservation grant program is key to giving DOT and our state and community partners better tools to assess the benefits of different approaches to integrating transportation investments, community preservation, land development patterns, and environmental protection. It will foster innovative transportation/land use strategies at the state, regional, local or neighborhood level. Other programs continued in TEA-21 such as transportation enhancements and congestion management support low-cost projects with big quality of life benefits such as improved streetscapes and historic preservation of rail stations.

Aviation. Aviation will continue to play a vital role in our Nation's economic future as our economy continues to grow. The need for fast and effective distribution systems will continue the demand for air freight systems. In our strong economy, travel for business and pleasure will increase. It is critical that our aviation system can accommodate this growth. We will also continue efforts to fully open world markets to American freight and passenger service.

This year we will be working with Congress to ensure long-term financing for aviation programs and a revitalized Federal Aviation Administration (FAA). We will propose a legislative agenda for aviation that will serve us well into the 21st century, including:

- Financial resources and tools to finance aviation and airport investments and modernize the air traffic control system;
- Policies that preserve the benefits of airline deregulation and promote competition among air carriers;
- Management reforms that allow FAA to adopt modern business practices;
- Improved safety programs and reduced potential for accidents;
- Investment in aviation technology in partnership with NASA and DoD.

Environmental goals for aviation should decrease the numbers of people exposed to significant levels of airport noise and emissions by:

- Fifty percent reduction in aircraft noise within 10 years through an aggressive research program to produce quieter aircraft engines;
- Deterring future noise impacts by working with local airports and authorities to improve land use decisions around airports; and,

- Two-thirds reduction in aircraft emissions in 10 years through an aggressive research program to produce cleaner aircraft engines.

In international aviation, we will emphasize deregulation and market liberalization of transportation in proposals for economic reform. The financial crises in Asia and Latin America demonstrate that old patterns of economic behavior and relationships need to be re-thought and reformed. Deregulation and market liberalization in the U.S. have resulted in dramatic improvements in industry productivity and, often, much better service -- factors that keep transportation costs low and make it possible for exporters and importers to compete in the international marketplace.

Marine Transportation System Initiative. Many Federal agencies, State and local governments, port authorities, labor, and private industry currently share responsibility for the marine transportation system. Economic, safety and environmental implications of aging infrastructure, inadequate channels and congested intermodal connections are expected to become more critical as the volume of marine traffic increases. Anticipating a substantial surge in demand for marine transportation in the next century, the Secretary of Transportation has undertaken a new effort to ensure that U.S. waterways, ports and their intermodal connections meet user needs, public expectations and the Nation's needs for efficient, safe and environmentally sound marine transportation. Leaders in the marine transportation field met this month to develop a vision and explore potential strategies for achieving an improved and more cooperative approach to the delivery of Federal marine transportation services. Actions include:

- Proposed Presidential Advisory Council [draft E.O. to establish this council could be signed on 11/19//98] to ensure the nation's maritime infrastructure could meet the demands of increased trade over the next two decades,

- Coordination of Federal policies related to ports and transportation connections -- highway, railroads, shipping channels -- so that American ports can efficiently carry substantial increases in trade volumes well into the next century.

Transportation Technology for the Future. The onset of the information age is revolutionizing our nation's transportation system and services. Beginning in the 1950's, we took advantage of the advances in engineering to build the Interstate Highway System and tie our nation together. Now we are taking advantage of the advances in information and communications technology to save time, money and lives by improving our metropolitan and rural transportation systems through intelligent transportation systems (ITS). Many of these advances are based on commercial use of Global Positioning Satellites (GPS), for which DOT is the leading civilian agency.

- Metropolitan Transportation. Our goal is to implement ITS technology in all our major metropolitan areas by 2006. Thirty-four cities have implemented some elements of ITS technology to date.

  - In Los Angeles, smart traffic signals have helped reduce vehicle stops by 41%.

- In New York, electronic toll lanes at the Tappan Zee Bridge can handle 1000 vehicles per hour compared to 450 vehicles per hour by manual collection.
- In Minneapolis, advanced traffic management systems, in addition to improving mobility, have seen crash rates fall by 27%.
- And all around the country in places like Baltimore, Denver, and Milwaukee, buses equipped with advanced locating and communications devices, are resulting in better on-time performance and improved driver and passenger security.

Intercity Rail Transport. Investment in electrification, modern high speed trains, track improvements, and grade crossing closures or separations will allow the inauguration of true high-speed rail transport in the Northeast Corridor in the Fall of 1999. Travel times from Washington to Boston through New York will be reduced by more than 2 hours, with higher levels of comfort and safety.

Rural Transportation. The U.S. DOT is ensuring that rural areas and small communities share in the mobility as well as the economic and social benefits that effective and safe transportation systems and services provide. This initiative has the following key components.

Putting Technology to Work. Rural residents and goods move more safely, securely and efficiently with advanced ITS technologies.

- In Sweetwater County, Wyoming, the use of an automated dispatching system allowed over 20 agencies to combine their transportation resources, quadruple the number of riders they could carry, and lower costs to Medicaid and Temporary Assistance to Needy Families clients as well as the general public. They are expanding the communications system to put public transit, police, fire, emergency management, and ambulances on the same system, allowing extremely rapid response to emergencies. This system not only decreased operating costs, but most importantly, increased mobility and access to community services.

- In Arizona, through kiosks, telephones, changeable message signs and the Internet, the information system on Interstate 40 provides alerts on road and lane closures, incidents and other travel data.

- Other ITS applications allow safer travel on roads by detecting severe weather conditions, signaling speed warnings on hazardous curves and triggering warning beacons. On I-70 in Glenwood Canyon, Colorado, speed warning signs on a dangerous curve resulted in truck speeds reducing by almost 20 miles per hour.

Rural Tourism. The growing importance of tourism in rural areas demands transportation solutions that preserve and protect the natural environment. Travel, particularly around our National Parks is increasing congestion, damaging natural resources and spoiling family vacations. DOT is working in a new partnership with the National Park Service to improve access to the parks and assess alternative transportation choices, while preserving the natural beauty and cultural resources. This year these agencies will develop transportation planning tools and guidelines, and operationally test ITS state of the art technologies in one National Park.

- In Yellowstone, DOT is collaborating with Departments of Commerce, Tourism, National Park Service, Highway Patrol, State Police and local fire Departments to implement a comprehensive ITS strategic plan. Over the next two months, computer kiosks will be placed to give tourists access to road and weather conditions, campground reservations and other tourism information. Incident management, including a cellular phone hotline, will improve safety and reduce congestion.

- In Grand Canyon, DOT is working with the National Park Service to assess and implement a light rail system.

- Outside the Parks, tourism is also the economic lifeline for many small communities. In Branson, Missouri, the traveler and tourist information system guides the millions of visitors who visit each year.

Rural Air Service: Many rural areas and small cities have been underserved by airlines. Working with Congress, we will pursue ways to encourage new rural service and connect rural communities to our national and international aviation network. We will propose legislation that will include, at a minimum:

- Establishing a new small community aviation development program to assist communities in fostering public -- private partnerships to improve their access to the national air transportation network; and

- Work to ensure that small communities do not suffer disproportionately during aviation labor disputes and help facilitate access to hub airports.

Welfare to Work. DOT is addressing the critical transportation gaps that welfare recipients and other low income people face in getting to jobs. The newly announced Job Access and Reverse Commute grant program ($75 million in FY99, $675 million over 1999 - 2003) will help states and communities establish new or expanded transportation services to get welfare recipients and other low income people to jobs and training. This program will leverage other public and private sector funds with a dollar for dollar match to make the best use of existing resources in helping welfare recipients and other low income people get and keep jobs.

National Agenda for the Transportation Needs of an Aging Society. One of the fastest growing segments of our society is that of older adults, who are enjoying longer, healthier lives. With the 50 percent growth in those over 65 expected by 2020, we must concern ourselves now with the need to assure their continued independence and mobility in their later years. The Department of Transportation is developing a National Agenda that will become a blueprint of needed actions and priorities, to assure we meet the transportation needs of our growing numbers of older Americans in their golden years. This will be done in conjunction with the United Nations Year of Older Persons. DOT will also encourage innovative applications of practices that ensure mobility for the elderly through the formula grants for special needs of elderly individuals and individuals with disabilities. We are increasing the investments in this program. It provides $394 million between FY 1999 and 2000.

Education. Supporting the President's education agenda, DOT instituted the Garrett A. Morgan Technology and Transportation Futures program that has reached more than 300,000 students. Our goal is to stimulate K-12 math and science learning for one million young people by the Year 2000.

TRANSPORTATION
FOR ELDERLY

U.S. Department of Transportation
Office of the Secretary of Transportation

November 2, 1998

NOTE TO: THE SECRETARY
THE DEPUTY SECRETARY

FROM: Gene Conti, Jr.

SUBJECT: Attached memo on *A National Agenda for the Transportation Needs of an Aging Society*

Should you concur in this initiative, there is a chance that the AARP may be willing to do a cover story on it for the January edition of their monthly magazine, which will reach 33 million readers. It is therefore of some importance that this package be considered promptly.

CC: Bill Schulz

U.S. Department of Transportation

Office of the Secretary of Transportation

Memorandum

Subject: **ACTION**: National Agenda for the Transportation Needs of an Aging Society

Date: November 3, 1998

From: Dr. Ricardo Martinez
Administrator, National Highway Traffic Safety Administration

Reply to Attn. of: J Eberhard x65595
DTrilling x64220

To: Eugene A. Conti, Jr.
Assistant Secretary for Transportation Policy

To: The Secretary
Thru: The Deputy Secretary

Summary: The Department has an unusual opportunity to prepare for the marked increase in the number of elderly transportation users when the Baby Boomer generation begins to reach age 65. We propose the development of a national agenda on the transportation needs of an aging society. It would include the updating of our research plan, a series of forums for professionals, and town meetings for older people, culminating with an international conference in 1999. The synthesis of the findings of transportation managers from state and local governments, the safety community, care givers, the private sector, professional organizations and older people themselves would be used to generate a plan of action.

Background: As a follow-on to the broader, more general White House Conference on Aging in 1995, the Department conducted its own study on how to improve transportation for a maturing society. Its 1997 report indicated that while the present situation regarding the safety of older adults is not yet a matter of immediate concern, there could be a substantial problem downstream. Further, linked to the safety and health of older adults is the far broader problem of providing transportation options for older Americans. The report also proposed the Department adopt for its planning purposes the goal of: *Safe Mobility, For Life.*

You have indicated the high priority you place on this issue and your desire that the Department undertake additional initiatives to assure the continuing safe mobility for older adults. This is truly a ONE-DOT issue, and the DOT Policy Council and the Modal Safety Council have been working together on it. The operating administrations have generated an array of research and development products that are coming to fruition, including: a NHTSA screening and assessment system for older drivers, several FTA programs that seek to find the best forms of alternative mobility for older people, and an FHWA handbook on highway design features for older people (the subject of a recent AASHTO workshop).

The passage of TEA-21 provides great new opportunities for preparing for our growing aging population. Billions of dollars are becoming eligible to be spent on making our transportation choices safer and more available and attractive to older adults; new pedestrian crossings (especially critical near senior centers and old age care facilities); new intersection designs (older adults are disproportionately represented in crashes involving left turns across traffic); behavioral safety grants (fatalities for pedestrians over 70 are twice their proportion in the population); R&D (the death rate for those over 80 in crashes is much higher because of their higher fragility); various ITS projects (we must assure that modern technology truly assists rather than overwhelms older drivers); and new levels of accessibility for the considerable number of elderly who are disabled.

One salient feature of the *Safe Mobility, For Life* theme is the premise that our policies should provide older adults with more transportation choices, especially in areas with limited travel alternatives, to ensure their safety and mobility. Not only do we want older drivers to maintain their independence as late in life as possible, we also want to enrich the transportation options they can consider, from walking and biking, to transit and paratransit for local transportation, to numerous forms of attractive intercity transportation. Included in this would be building an awareness that they must consider their future transportation needs as they retire, and educating them on how to use the options that will be available, as alternatives to driving. Additionally, it is important for the Department to improve screening and evaluation systems to assure that older adults can continue to safely operate their vehicles.

Thus, a national dialog is called for, to address the transportation needs of older adults, identify where the system is falling short, and what remedial measures are viable. Included in this dialog should be practitioners and authorities as well as such advocacy groups as the AARP, APTA, the AAA, and the private sector. An illustrative sampling of these groups will be found at Attachment 1. We have held informal discussions with some of these potential partners, from both the public and private sectors, and can move to a more formal solicitation of their participation upon your concurrence.

<u>Proposal</u>: We will update the transportation research blueprint for the next 25 years. The TRB 1988 research plan served as a guideline for much of the Department's research on older adult issues, and much of it is being successfully applied in the field. It needs to be revised to reflect the research that has been accomplished, the new safety needs that have been identified, and the new priorities that should be established. That work would result in a peer reviewed update of *Transportation for an Aging Society - Initiatives Drawn from a Decade of Experience.*

We will have DOT lead a series of forums and town meetings to be held in 1999, that would bring the current state of the art and programs to transportation professionals, medical and social service providers, and older people and their lay care givers. They would include practical guidance to those people who deal with older person transportation issues on highway design and operation; best practices on transportation choices; and driver assessment, rehabilitation, and regulation. We have been conducting informal discussions with various members of the safety

community on possible sites, and several are ready to proceed. A prospective list is included in Attachment 2.

The results of the forums and town meetings and the upgraded research plan will enable the Department to lead the country in the drafting of a National Agenda, to meet the transportation needs of older adults. It will be refined and confirmed at an international conference at the National Institutes of Health in November 1999, which will address the findings of the workshops in both the operational and research contexts, and the research needs for the next 25 years. Exemplary programs would be showcased, and the prospects for their replication in other areas of the country (and perhaps around the world) would be evaluated. The conference will also be part of the Administration's contribution to the celebration of the United Nations International Year of Older Persons. Through this process, the Department will be able to establish a blueprint that documents for all interest groups what needs to be done to manage the safe transportation for older adults in the next century. It will also provide a good base for the reauthorization of TEA-21.

Our estimates of the budget required to conduct these activities is found in Attachment 3. There is still a shortfall in the funding, and we feel that much of this can come from private sector sources. We will begin to formally solicit their support upon your concurrence. There will also need to be set up extensive coordination resources within the Department.

Recommendation: We recommend that you concur with the development of the National Agenda through the conduct of the forums and town meetings and the international conference.

Concur:__________ Date: __________

Nonconcur: _______ Date: __________

Attachments

cc: Administrator Molitoris,
Chair, Modal Safety Council

Attachment 1

Illustrative Sampling of Participants:

Government

DOT Elements
National Institute on Aging
Administration on Aging
VA
CDC

World Health Organization
United Nations

Access Board

State Consortia on older drivers
local governments
local Area Agencies on Aging.

Public Interest Groups

American Assoc of Motor Vehicle Administrators
American Assoc of of Homes and Services for the Elderly
AASHTO
APTA
APWA
American Occupational Therapy Association
American Driver Educators for the Disabled
American Institute of Architects
American Medical Association
Bicycle Federation of America
CTAA
Eno Foundation
National Association of Rail Passengers
National Safety Council
NAGSHR
Partnership for a Walkable America
Paralyzed Veterans of America
State Medical Associations.
SAE

Private Sector
AARP
AAA
Air Transport Assn
Amtrak
Catalog/Home Shopping Industry
Cruise Lines
ITS America.
IIHS
Travel Industry

Attachment 2

Potential Forum and Town Meeting Sites

North West:	*Eugene, Oregon* - Driving Decisions for Seniors *Seattle, Washington* - Exemplary transportation system
South West:	*Phoenix, Arizona* - Requested conference, did one in 1993 *San Diego, California* - Safe Community, requested conference *Pasadena, California* - Exemplary community programs with behind the wheel assessment
Central:	*Oakland County, Michigan* - Exemplary area agency on aging (AAA), state consortium on older persons' transportation issues *Springfield, Illinois* - Requested conference, has conducted similar meetings *Wichita, Kansas* - Exemplary driving transitions program in AAA with coordinated alternative transportation
South East:	*St. Petersburg, Florida* - Exemplary AAA *Birmingham, Alabama* - Extensive R&D program on older drivers (NIA)
North East:	*Glen Burnie, Maryland* - State-wide consortium on Safe Mobility for Life, pilot testing model system *Portland, Maine* - Exemplary alternative transportation system (ITN)

Attachment 3

Funding Estimates

Activity	**Cost**	**Covered**	**From**
Prepare 218 update through TRB, background papers, appoint committee. hold international conference, and after-conference review	$165k	$165k	NHTSA
Six town meetings are envisioned, at sites to be mutually determined. Cost estimated at $20,000 ea	$120k	$20	FHWA
Manuals of Best Practices, rough cut by 1/99, glossy later	$ 90k		
Preparation of Strategic Plan and National agenda, synthesizing town meetings and conference, drafting strategic plan	$ 85k		
Post-conference extra meeting, preparing, publishing, and distributing the National Agenda	$ 40k	$20k	NHTSA
Totals	$500k	($205k)	
Funding From Other Government Sources			
FTA - [Tentative Commitment Until New Budget is Received and Analyzed]		(40k)	
From Nat'l Institute on Aging		(50k)	
Needed from Other Sources*	$205k		

*Potential Other Sources: Eno Foundation, AARP, AAA-TSF, 3M, CDC, Auto manufacturers, Insurance companies, Karlinski Institute (Stockholm)

SMART GROWTH

The Washington Post, 11/13/98

E. J. Dionne Jr.

What Democrats Have Accomplished

Democrats have become so accustomed to learning the lessons of defeat that you wonder whether they can learn the lessons of victory. You also wonder how much they will miss Speaker Newt Gingrich, who provided Democrats with such a convenient target and left two years too early for most Democratic tastes.

The challenge the Democrats face, particularly in the House, is not only political but also substantive. The Republicans' membrane-thin margin will create a competition between probable House Speaker Bob Livingston (R-La.) and Democratic Leader Dick Gephardt over whether a moderately conservative or a moderately progressive coalition dominates the House.

With the votes of 10 to 20 moderate-to-liberal Republicans, Gephardt could push through Democratic bills in such areas as education, HMO reform and the environment. With 10 to 20 votes from moderate-to-conservative Democrats, Livingston might pass Republican initiatives, especially on taxes. The shape of any Social Security reform will depend on which of these coalitions proves dominant.

Gephardt, for one, is acutely aware of the challenge. In an interview, Gephardt pledged "to reach out to the moderate Republicans and ask them to vote with us on a number of things." His ability to do so will be a test not only of how the next two years go but also of the Democrats' chances of governing if they do win back the majority.

The most important thing about this month's elections is that Democrats finally shucked the defensiveness that has been their style since the Republican breakthrough of '94, a transformation party leaders illustrated in a series of interviews.

"The euphoria was so therapeutic," said Senate Democratic leader Tom Daschle, "because it's been such a terrible, miserable couple of years in so many respects. And it was all kind of washed away."

But why? Daschle points first to the fact that Democrats and their allies finally built an organization capable of bringing the faithful to the polls.

Union turnout was up to 1996 levels because the unions "put the major effort in the ground game," Gephardt said. African American and Hispanic turnout was also relatively high, reflecting major organizing efforts, including active campaigning for contested seats by black and Hispanic Democrats in the House.

"The lesson we're learning in the states is to go back to the fundamentals," said Fred Yang, a Democratic pollster. "This is my sixth election cycle, and this was the first election in which voter turnout occupied a central place in the discussions, side by side with media and strategy."

On issues, Democrats think they have the beginnings of their own Contract with America. It includes a patients' bill of rights, an increase in the minimum wage, campaign finance reform, saving Social Security, environmental initiatives (on urban sprawl, for example) and school construction.

Gephardt sees school construction as a big issue, akin to interstate highways or student loans in the 1950s. "There are more kids in school now than when the baby boomers were in school," Gephardt said. On this matter, school boards will welcome federal help and the usual Republican attacks on Washington won't work.

Pointing to this program, David Bonior, the House Democratic Whip, disputed the idea that Democrats won simply by being more "moderate" than Republicans. He argued that the Democratic victory was built "on a progressive agenda with a progressive grouping of people."

True up to a point. But the Democrats put a decidedly moderate face on the agenda, ran moderate candidates where they had to and limited their wish list. For one election, Democrats managed to find common ground among their various factions. Can they do it again?

One reason they managed it this time is the passing of that old devil figure "liberalism" and the rise of a new one, right-wing "extremism." Republican campaigns that targeted Democrats as "too liberal" worked very well in 1994 but seemed out of date this year. By contrast, Democrats almost everywhere accused Republicans of being beholden to the extreme conservative groups. This extremist label was stuck on even relatively moderate Republicans.

By the year 2000, the Republicans may have changed enough to render the attack on "extremism" far less effective. Gingrich's departure may make it easier for Republicans to pull off such a makeover, and social conservatives themselves say they need to speak in a new and less threatening voice.

It's just possible that 1998 will turn out to be the warning the Republicans needed. But the fact that so many Republicans now acknowledge this to be true is a sign of how much the Democrats accomplished this year.

The New York Times, 11/11/98

Fed Up With Sprawl

NYT 11/11/98

By Richard Moe

Almost lost in last week's election results was an unmistakable mandate for elected officials to deal with an issue that affects everyone: unmanaged growth, better known as sprawl.

Given the opportunity to express their views on some 200 state and local ballot initiatives related to sprawl, voters delivered an overwhelming and bipartisan "yes" to quality-of-life measures.

New Jersey residents, for example, approved a constitutional amendment that dedicates up to $98 million annually for historical preservation and open-space conservation.

Other plans to preserve historical sites, parks, farmland and open space were approved in Alabama, Arizona, Florida, Michigan, Minnesota, Oregon and Rhode Island, as well as in localities as diverse as Douglas County, Colo., and Cape Cod, Mass.

Alaskans reaffirmed a ban on billboards, while Floridians voted to allow a property tax abatement for historical properties. Urban growth boundaries were approved in seven California communities.

It is clear from these results that Americans are increasingly fed up with traffic congestion, strip malls, visual blight and loss of open space. It is also clear that voters will pay for sensible means of dealing with them. Last week they committed an estimated $7 billion to conservation, urban revitalization and smart-growth initiatives.

The profusion of state and local initiatives underscores the importance of bringing the Federal Government into the fold. Long-overdue assessments of the extent to which Federal policies assist and subsidize the destruction of urban centers and rural landscapes are under way.

The issue all voters agreed on.

Once limited to a relatively small but determined band of environmentalists, support for smart growth policies is now widespread among governors and local officials as well as the public. In some cases, voters appear to be ahead of elected officials.

The New Jersey initiative, despite Gov. Christine Todd Whitman's backing, almost didn't make it onto the ballot because legislators were wary of it. But when residents got the opportunity, they approved it by a huge majority.

Developers, highway engineers and politicians used to assume that the public would accept the inevitability of sprawl. But last week's voting sends a new message. □

Richard Moe is president of the National Trust for Historic Preservation and co-author of "Changing Places: Rebuilding Community in the Age of Sprawl."

National Incentives for Smart Growth Communities

Matthew W. Ward, Kenneth A. Brown and David B. Lieb

It is almost a maxim that all land use is a local matter. However, federal regulatory and funding policies have shaped American land use and helped to skew local development toward exurban sprawl rather than focus it on the revitalization of cities and sustainable growth in the surrounding regions. In a 1995 report, *The Technological Reshaping of Metropolitan America*, the congressional Office of Technology Assessment warned that urban sprawl is a national problem, fueled in part by federal policies, that is costing local communities dearly. The burgeoning economic, environmental, and social costs of sprawling development call for an enhanced federal government role in helping local communities to combat sprawl and implement strategies to encourage smart growth.

Local governments (and states) have identified sprawl and its management as a critical issue for communities, and many localities have begun to develop new approaches to counter sprawl and promote smart growth. Likewise, the federal government has launched several educational, funding, and regulatory efforts designed to encourage better local growth and development practices. Together, local communities and the federal government are seeking to establish new tools for sustainable local growth. This article examines existing and potential federal incentives for smart growth and suggests how local governments can put them to use.

The typical pattern of American urban development is sprawl. Sprawl is low-density, segregated use, automobile-dependent development on the fringe of urban areas. It is characterized by ever-expanding suburbs surrounding an aging and sometimes deteriorating inner core. Since World War II, the pace at which development has consumed agricultural lands, forests, and other open spaces in the regions surrounding metropolitan areas has far outstripped the growth of metropolitan populations. For example, in the Chicago metropolitan region, residential land use increased by 46 percent and commercial land use increased by 74 percent between 1985 and 1995, while population increased by only 4 percent. At the same time, the City of Chicago has more than 2,000 vacant manufacturing sites. These figures indicate that substantial, low-density development was growing outside of Chicago's core for reasons other than population pressure. This trend of diffuse development has affected nearly every local community and has raised new questions about the acceptability of the costs of growth patterns in recent decades.

The costs of sprawl are economic, environmental, and social. In their book *Land Use in America* (Island Press, 1996), authors Patrick Noonan of the Conservation Fund and environmental attorney Henry Diamond argue for new approaches to dealing with sprawl because land use is the key to environmental quality and to much of quality of life generally. Sprawl can threaten cities and the regions surrounding them by inducing disinvestment in existing communities; raising costs for new infrastructure; creating urban brownfields; increasing traffic and congestion; degrading air and water quality; consuming prime agricultural lands and habitat; destroying viewsheds; and undermining community and family life. Sources like the 1996 report, cosponsored by Bank of America, *Beyond Sprawl*, have cited costs to businesses from sprawl including decreased employee productivity; flight of suppliers and customers; reduced access to labor; decreased urban tax base and services; liability for idled contaminated properties; and the breakdown of the sense of community upon which successful businesses depend. The social and community costs of sprawl include loss of jobs and access to jobs; economic segregation and loss of social stability; shifts in political power and social services; and increased commuting time (and a corresponding decrease in family time) for workers.

Although sprawl development is caused by myriad social, economic and regulatory factors, federal policy has undoubtedly played a significant role in determining local land use and fostering sprawl. Federal environmental statutes, for example, influence local land use, from the assessment requirements of the National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321 *et seq.* (NEPA); to the planning requirements of transportation law and the Coastal Zone Management Act of 1972, 16 §§ 1451 *et seq.*; from the nonpoint water pollution controls of the Clean Water Act, 33 U.S.C.

Mr. Ward is an associate with the law firm of Spiegel & McDiarmid in Washington, D.C., and counsel to the National Association of Local Government Environmental Professionals. Mr. Brown is the public affairs director at Spiegel & McDiarmid and executive director of the National Association of Local Government Environmental Professionals. Mr. Lieb is an associate with Spiegel & McDiarmid.

§§ 1251-1387; and the development restrictions associated with the Clean Air Act, 42 U.S.C. §§ 7401 *et seq.* (CAA); to the effects of Superfund (Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601-9675), on the use of property.

Moreover, federal funding has been a major sprawl-inducing factor, including the subsidization of automobile use through the funding of road building, parking, and the cost of importing oil. *See* U.S. Congress, Office of Technology Assessment (OTA), ***Technological Reshaping of Metropolitan America*** at nn. 87-92 and accompanying text. OTA also notes that federal subsidies for home ownership have spurred exurban development through federal mortgage lending policies, the tax deduction for mortgage loan interest, capital gains tax deferment, and property tax subsidy payments. ***Id.***, nn. 32-43 and accompanying text. Likewise, federal funding of waste treatment systems, and related regulations that have led to excess capacity, contributed to sprawl in the 1960s, 1970s and early 1980s. ***Id.***, nn. 70-72 and accompanying text.

Federal funding initiatives can provide valuable support to communities seeking to implement smart growth practices.

Federal environmental regulations also have discouraged productive reuse of urban land, providing a further impetus for sprawl. The specter of liability under Superfund has the unintended effects of discouraging present owners from investigating soil conditions or transferring properties, chilling developers from acquiring potentially contaminated properties, deterring municipalities from acquiring abandoned properties, and stifling lending on these abandoned sites. The risks and costs associated with the redevelopment of potentially contaminated properties at an estimated 450,000 "brownfields" sites—primarily located in urban areas—drive development away from cities and into the "greenfields" of nonurban areas outside the core metropolis, thereby contributing to sprawl.

Local governments have criticized CAA pollutant nonattainment policy for contributing to urban disinvestment and regional sprawl. Under the CAA, the U.S. Environmental Protection Agency (EPA) establishes uniform, National Ambient Air Quality Standards for six air pollutants, including lead, carbon monoxide, ozone, particulate matter, sulfur dioxide and nitrogen dioxide. If a local area improperly exceeds a standard for concentration of any regulated pollutant, EPA may designate the locality as a "nonattainment" area. Nonattainment status triggers stringent restrictions for a locality that may discourage economic development or even help induce the exodus of industrial facilities and other sources of air emissions from urban nonattainment areas.

These and other federal regulatory drivers of sprawl development call for an assessment of how national policies can be tailored to provide regulatory incentives and enhanced funding for "smart growth" in local communities. Smart growth is development intended to serve economy, environment and community. Smart growth is characterized by inclusive decision-making, locational decisions and site designs for development that minimize environmental and fiscal impacts, long-term strategic local and regional land use planning, and the use of regulatory and market incentives to promote more livable communities and minimize the impacts of sprawl. Smart growth tools include brownfields revitalization, mixed-use development models, eco-industrial parks, policies that make development pay for itself and its externalities, and development that is integrated with comprehensive transportation and environmental planning. Indeed, the toughest remaining environmental problems facing America are those involving land use—nonpoint water pollution, mobile source air emissions, brownfields, and the protection of open space, habitat, forest lands and endangered species—making smart growth policies and practices vitally important.

The federal government can foster and reward smart growth at the local level with educational, funding and regulatory initiatives that may, over time, help shift the prevailing pattern of sprawl development in America. Although newly emerging federal incentives for smart growth are not nearly sufficient to overcome the sprawl-inducing impact of current federal funding and regulatory policies, these federal tools represent worthy first steps in the long-term endeavor to promote sustainable local growth.

The federal government is seeking to foster smart growth by convening a national discussion on the issue of sprawl, coupled with educational, technical assistance and funding initiatives to promote innovative local programs. Curbing metropolitan sprawl has emerged as a top priority for the President's Council on Sustainable Development (PCSD), a council of high-level federal, business and environmental leaders tapped by President Clinton in 1993 to develop a strategy to promote economic vitality without compromising the environment and quality of life. In its 1996 report ***Sustainable America***, PCSD recommended a policy to "manage the geographical growth of existing communities and siting of new ones to decrease sprawl, conserve open space, respect nature's carrying capacity and provide protection from natural hazards." *Sustainable America*, ch. 4, Policy Recommendation 5. PCSD promotes cooperation among communities to address regional issues like land use and sprawl, for example, by recommending that federal and state governments provide incentives for regional collaboration to address issues that transcend political jurisdictions. PCSD supported the creation of the Joint Center for Sustainable Communities, a collaborative effort of the National Association of Counties and the U.S. Conference of Mayors focused on encouraging cooperation among cities and counties on regional issues, including sprawl.

EPA is tackling the issue of metropolitan sprawl through its Urban and Economic Development Division (UEDD). UEDD sponsors the "$mart Growth Network," a nationwide network of developers, lenders, building materials manufacturers, local governments and smart growth advocates seeking to promote responsible land use, growth, and development.

EPA's Sustainable Development Challenge Grant program provides seed funding to promote long-term local investment in sustainable development. The grants fund projects like regional governance processes for better management of urban development, and metropolitan transportation programs that reduce vehicle miles traveled. EPA plans to award $5 million in sustainable challenge grant funds in 1998. In brownfields revitalization, EPA has awarded more than 120 grants of $200,000 each to support two-year brownfield assessment pilot projects by local governments. The pilots will serve as laboratories to test different cleanup and redevelopment tools, promote new methods to remove regulatory barriers, and build innovative partnerships for coordinated environmental cleanup efforts. EPA plans to award an additional one hundred pilot grants in 1998.

Federal funding initiatives can provide valuable support to communities seeking to implement smart growth practices. However, monies spent on these programs represent a drop in the bucket compared to the vast federal funding that supports activities contributing to sprawl. A first step in rectifying the negative impacts of federal funding could be the establishment of a "smart growth funding scorecard" to identify the influence of federal monies on local growth patterns.

The federal government can also promote smart urban growth through regulatory tools. The Brownfields Action Agenda, led by EPA and involving fifteen other federal agencies, promotes urban revitalization through the cleanup and redevelopment of brownfields properties. The Clinton administration has expressly tied its brownfields efforts to the overall goal of smart growth, recognizing that metropolitan regions cannot successfully combat sprawl without building strong, vibrant cities.

Under the Brownfields Action Agenda, EPA has developed a package of administrative reforms to the Superfund liability scheme to promote reuse of urban land. The reforms include the removal of more than 25,000 brownfield sites from the Superfund Tracking System or "CERCLIS" list; and guidance on the negotiation of prospective purchaser agreements for contaminated sites, protection from liability for municipal involuntary acquisition of sites, future land use at brownfields sites, liability protection for owners of property above contaminated aquifers and, the expanded use of EPA "comfort letters" for brownfields sites. Congress, in 1997, also established a brownfields remediation tax credit for activities to clean up contaminated urban sites. In many ways, the Brownfields Action Agenda has focused national attention on the problems of urban redevelopment and metropolitan sprawl and has motivated communities to explore and implement better development practices.

CAA regulatory incentives could also promote smart local growth. As the CAA is now implemented, areas designated nonattainment for any regulated criteria pollutants may be subject to strict limitations on new or expanded stationary sources like industrial or power generation facilities. Under these restrictions, new or modified sources could be prohibited unless those sources obtain "new source offsets" from other, existing sources in the nonattainment area. Because urban areas have the greatest air quality problems, and nonattainment areas tend to be urban areas, CAA restrictions on stationary sources may drive economic development away from urban areas and accordingly contribute to sprawl.

This negative consequence calls for policies that provide flexibility in CAA nonattainment areas to encourage local economic development while ensuring continued air quality improvements. EPA is now considering a flexible implementation policy for the national ozone standard adopted in 1997 that would address some of these concerns. EPA plans to allow local areas that are not able to attain the stringent new ozone standard to be designated as "transitional nonattainment." Transitional status would be available only if a state agrees to impose strict controls on large utility and industrial boilers to reduce emissions of oxides of nitrogen (a component of ozone) by up to 85 percent. Under transitional classification, new or modified stationary sources in a local area will be able to obtain required new source emission offsets more easily, through pools of offset credits to be established at the state level. EPA also proposes that new stationary sources in transitional areas will not be subject to the most stringent level of control technology. By focusing the brunt of its ozone control strategy on large utility and industrial boilers on a regional basis, and providing regulatory flexibility in urban areas, EPA can promote smart growth by removing the incentive for these sources to shop for "greener fields."

EPA should go further with CAA incentives to reduce barriers to local smart growth activities by providing CAA credit to states for urban activities that reduce sprawl, vehicle use, and air pollutant emissions. Indeed, federal officials have advocated for EPA to adopt such a policy. Eligible urban programs could include zoning that encourages new transit-oriented development, greater density around existing transit facilities and pedestrian-friendly neighborhoods, tax incentives for urban infill development, and elimination of zoning requirements for minimum parking. Such a CAA policy would reward the City of Portland, Oregon's "urban growth boundary," which restricts development outside the Portland urban growth boundary and other developed municipal areas, and which has helped Portland to attain the national standard for ozone by reducing mobile source pollution.

The federal government can also promote smart urban growth through regulatory tools.

Another potential tool for smart growth practices is the Clean Air Investment Fund. This summer EPA is expected to propose a program that would allow regulated sources whose costs for reducing NO_x (nitrogen oxide) emissions under EPA's regional ozone strategy exceed $10,000 per ton to avoid compliance. Instead, these sources would pay the $10,000 into funds that would be used to finance alternative compliance methods. EPA and states should consider the Clean Air Investment Funds a source for innovation and experimentation at the local level where they could be directed into smart growth activities that achieve actual emissions reductions, such as telecommuting and alternative transportation measures.

EPA is also considering how Clean Water Act regulations can foster better local growth patterns. In January 1998, EPA issued a proposed "Phase II storm water rule" that would seek to control nonpoint source pollution by requiring National Pollutant Discharge Elimination System permits for smaller municipalities, construction sites and other sources. 63 Fed. Reg. 1536 (Jan. 9, 1998). The proposed Phase II rule would promote smart growth by allowing permitting authorities to release municipalities or construction sites from certain stormwater controls if the locality has adopted programs to limit water quality impacts from uncontrolled growth in a watershed. *Id.* at 1565, 1585. EPA proposes that municipalities or construction activities receive regulatory relief in core urban areas where special controls or incentives exist (such as transferable development rights or urban growth boundaries) to direct development toward compact/mixed use development and away from wetlands, open space, or other protected lands. The proposed stormwater rule would also promote smart growth by encouraging regional and watershed-wide collaboration by local governments in the control of nonpoint source pollution.

Transportation policy may provide another way to encourage smart growth. Federal transportation policy affects where we go and how we get there. Traditional federal transportation funding and policy fostered sprawl and exacerbated congestion in urban areas. With a single goal of increasing vehicle capacity, federal transportation spending paved the way (literally) for the post-war suburbanization of America. Rarely were alternative objectives or alternative modes of transportation seriously considered. As a political matter, roads projects remain a sacred cow in Congress, as demonstrated by the more than $200 billion roads bill passed in Congress this summer.

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), Pub. L. 102-240, represented a significant break with past practice and a shift toward the integration of smart growth concerns into federal transportation policy. Its stated goal, "to develop a National Intermodal Transportation System that is economically efficient, environmentally sound, provides the foundation for the Nation to compete in the global economy, and will move people and goods in an energy efficient way," introduced new factors to the transportation planning equation with the potential to promote smart growth. 49 U.S.C. § 5501(a) (1997). The transportation law was reauthorized in 1998 as the Transportation Equity Act for the 21st Century (TEA-21). Although the new law lacks a coherent national transportation policy other than vastly increased spending for more roads, the law builds upon the ISTEA approach and provides increased funding for environmentally preferable, smart growth transit projects.

TEA-21 contains significant innovations in the process of setting transportation policy. While giving increased authority to regional bodies and states to determine how federal transportation dollars are spent, TEA-21 also introduces a greater range of factors to the decision-making process. Mobility, environmental impact, social equity, civil rights, and impact on central cities must be integrated into the transportation choices of metropolitan planning organizations and state transportation agencies. TEA-21 also provides opportunities for meaningful public participation where few existed before. As a result, those interested in pursuing local smart growth strategies have a greater voice in setting policy. Flexibility is one of the hallmarks of TEA-21, permitting the shifting of highway funds to other uses targeted at reducing congestion. Thus, for the first time, money which otherwise would have gone to finance road construction has been allocated in many states for public and alternative transit. TEA-21 also designates a small fixed percentage of funding for spending on enhancements, which can include water pollution mitigation, bicycle facilities, historic preservation or other community-enhancing projects.

TEA-21 also seeks environmentally preferable alternatives to transportation projects through the Congestion Mitigation and Air Quality (CMAQ) program implemented by the Department of Transportation, which integrates concerns about air pollution into the transportation planning process. CMAQ allots $1.4 billion annually to alternative transit projects designed to achieve CAA standards. CMAQ funds may not be used to fund road projects that enhance transportation capacity for single-occupancy vehicles, but instead must support transportation improvements and alternative transit projects designed to reduce congestion and vehicular air emissions.

The federal government can do more than direct federal funds toward transit projects instead of new highway construction, however. Other proposed policies focus on changing the incentives to drive. For example, the multistakeholder group, Enterprise for the Environment, suggested the use of vehicle emissions fees in its 1998 report *The Environmental Protection System in Transition: Toward a More Desirable Future*. Emissions fees, calculated on a vehicle's estimated emissions level and actual mileage, could be assessed to each vehicle to promote less driving and thereby reduce mobile source emissions. Federal tax policy is another source of possible incentives to limit vehicle emissions. Until recently, the federal tax code permitted businesses to give their employees free parking as a tax-free fringe benefit, up to a value of $165 per month. However, the tax system did not permit employers to provide a tax-free equivalent cashout to employees who use alternative (i.e., other than single-occupancy vehicle) modes of commuting. To eliminate this discrepancy, the federal tax code was amended through TEA-21 to permit employers to voluntarily offer tax-free cash payments to employees who choose mass transit, telecommuting or carpooling in lieu of parking benefits.

Economic development incentives targeted at inner cities are another federal tool to encourage a more sustainable pattern of development. An increasing number of federal programs aim to provide tax incentives, government contract set-asides, and other benefits to businesses that locate in designated communities. For example, the Empowerment Zones and Enterprise Communities (EZ/EC) program administered by the Department of Housing and Urban Development, provides substantial federal funding and tax incentives to communities that demonstrate need and a viable plan for fostering economic development. EZ/EC programs provide a range of benefits to communities, including tax breaks for wages and capital investments to companies locating in designated areas and drawing a minimum percentage of their work force from the designated area. Moreover, EZ/EC funds have been used by cities like Baltimore and Detroit to support brownfields revitalization or innovative, mixed-use urban development projects. Likewise, the federal "HUBZones" program, administered by the Small Business Administration, supports business in core urban areas by giving government contract set-asides and other federal procurement incentives to small businesses located in designated "historically underutilized business zones." *See* Pub. L. 105-135, Title VI (Dec. 2, 1997).

The federal government recently launched as a pilot program another economic incentive for smart growth: "location-efficient mortgages" (LEMs) by national lending institutions. In early 1998, EPA and Fannie Mae, the federal mortgage lending company, announced a project to develop mortgages that reward homebuyers for the beneficial environmental impact of buying houses in downtown areas instead of in suburban areas. When deciding on how large a mortgage a home buyer can afford, Fannie Mae's LEM project will take into account the cost savings a family achieves by living in an area with easy access to public transit or services within walking distance. The LEM savings achieved by downtown families from reduced transportation costs could encourage urban infill development, reduce vehicle miles traveled, and improve air quality. Environmentalists supportive of the LEM project have promoted the idea as a first of several lending programs that could be shaped by the concept of location-efficiency. In the future, insurance, investing, or even underwriting of municipal bonds could account and give direct benefit for savings achieved through smart growth.

Perhaps the federal government should look to NEPA as a source for new tools and incentives for the growing problem of sprawl. NEPA provides a potentially powerful tool for assessing the environmental impacts of, and potential alternatives to, major federal actions that contribute to sprawl. These federal actions include relocation of federal facilities from urban areas to exurban locations, and federal leasing, infrastructure funding, and construction activity.

NEPA and Council on Environmental Quality (CEQ) guidelines allow the assessment of the impacts of federal actions on sprawl. *See* CEQ NEPA Guidelines, 36 Fed. Reg. 7724, 7725 (1971); 40 C.F.R. § 1500.6(b) and Appendix II; *see, e.g., City of Rochester v. U.S. Postal Service*, 541 F.2d 967 (2d Cir. 1976) (Postal Service environmental impact statement for construction of new postal facility was inadequate because it failed to consider possible environmental impacts of the abandonment of existing facility on city, including increased commuter traffic and physical deterioration of downtown community); *Trinity Episcopal School Corp. v. Romney*, 523 F.2d 88, 93 (2d Cir. 1975) (federal

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politics and good policy. Second, because implementing a new planning framework takes many years, special steps must be taken immediately to govern development during the long implementation period to avoid continuing in the old direction. Third, broad public participation in adoption, implementation and execution of a new planning framework may add to the length and contentiousness of the effort but more than justifies these costs by improving the quality of decisionmaking and allowing the public to acquire an understanding of why the effort is worthwhile.

Whether there is an Oregon model or that model is replicated elsewhere, the important point is that it has provided an alternative model for managing growth affirming Justice Brandeis' defense of the opportunity for the states to exercise their powers as laboratories of innovation for the benefit of the nation.

For more detail, *see* R. Liberty, *Oregon's Comprehensive Growth Management Program: An Implementation Review and Lessons for Other States*, 22 Envtl. L. Rep. (Envtl. L. Inst.) 10,367 (June 1992).

National Incentives

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agency must consider impact of its actions on urban decay and blight and the city development planning); *City of Davis v. Coleman*, 521 F.2d 661, 675 (9th Cir. 1975) (Department of Transportation failed to consider sprawl-inducing effects of highway interchange project); *Conserv. Law Foun. of New England v. General Services Admin.*, 707 F.2d 626 (1st Cir. 1983) (GSA must consider potential development impacts from public sale of federal lands). However, serious federal consideration of sprawl, and the potential for smart growth alternatives, is not likely under NEPA unless CEQ strongly signals the need for such consideration.

Likewise, the federal government could reinvigorate its space management guidelines. Under Executive Order 12,072, Federal Space Management, 43 Fed. Reg. 36,869 (1979), President Carter directed the GSA to require the location of federal facilities "to strengthen the nation's cities and to make them attractive places to live and work." Carter's order and GSA regulations implementing it at 41 C.F.R. § 101-17 (1998) require that:

> Federal agencies shall conserve existing urban resources and encourage the development and redevelopment of cities. . . . Serious consideration shall be given to the impact that a location or relocation will have on improving the social, economic, environmental, and cultural conditions of the communities in an urban area.

41 C.F.R. § 101-17.002. This policy establishes a preference for placement of facilities in cities and the central business areas of urban and rural communities, requires compatibility with conservation objectives, and promotes location of federal facilities in distressed urban areas. *Id.* The policy could be reinvigorated if all federal agencies would enter into agreements with GSA to implement the regulations, and to carefully consider the intent of the law in the context of urban sprawl whenever federal facility decisions are made.

The federal regulatory and economic incentives described and suggested above are critical first steps toward a proactive federal role in supporting sustainable local development. The costs of sprawl call for a national smart growth agenda to devote increasing attention, funding and innovative regulatory incentives in partnership with local communities "to strengthen the nation's cities and to make them attractive places to live and work." Exec. Order No. 12,072. The authors encourage the federal government, local communities and citizens to join in this national smart growth endeavor.

Growing Too Smart

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Takings law, particularly as it evolves in the smart growth context, could bring these issues to a head. The Fifth Amendment, like other provisions in the Bill of Rights, is surely designed to limit abuses of government conduct. However, this should not cause property owners to think that claims for just compensation are a panacea to get them out from under the expense of complying with smart growth ordinances. On the other hand, it is dangerous for government officials to assume they are invulnerable to takings liability just because they act to further the laudable goals of smart growth. Growing too smart may come with its own price tag that land use officials and the public should be prepared to pay.

ELECTRICITY

THE CLINTON ADMINISTRATION'S COMPREHENSIVE ELECTRICITY COMPETITION PLAN

March 25, 1998

The Clinton Administration's Comprehensive Electricity Competition Plan will save consumers $20 billion a year. And it combines those economic savings with environmental benefits -- both saving the typical family of four over $230 per year *and* reducing greenhouse gas emissions. Retail competition will strengthen incentives to improve efficiency, and reduce the two-thirds waste of energy currently associated with fossil-fuel generation of electricity -- thereby cutting greenhouse gas emissions, saving money, reducing pollution, and conserving fuel.

The importance of the electricity sector. The electricity sector is our nation's most capital intensive industry, holding assets with a book value in 1994 of close to $700 billion. Sales in 1996 were $212 billion. And the industry has a significant impact on the environment.

Retail competition. Economic forces are forging a new era in electricity policy, where electricity prices will be determined primarily by the market rather than by regulation. Under this new system, often called "retail choice," consumers are allowed to choose their electricity supplier. Electricity policy is moving in this direction because subjecting utilities to competition will lead to increased efficiency in the industry and thus benefit the economy and the environment. Competition will spark innovation in the American economy, creating new industries, jobs, products and services.

The Administration's plan. The Plan is built upon the principle that customers should be allowed to benefit from the ability to choose their own electricity supplier. It advances the legislative changes necessary to provide customer choice, enhance competition, and diversify generation sources. Key components of the plan include:

1. Retail Competition - Flexible Mandate. The flexible mandate would require that all consumers be able to choose their electricity supplier by January 1, 2003, but would permit States and unregulated utilities to opt-out of the competition mandate if they find that consumers would be better served by an alternative policy. This approach strikes a balance between the need to spur competition and the importance of preserving State flexibility and authority.

2. Environmental Provisions. Environmental Provisions --The plan includes a range of provisions to protect the environment through cleaner air and reduced greenhouse gas emissions while saving consumers money. These include a $3 billion Public Benefits Fund, to support conservation and energy efficiency measures, research and development into clean and efficient technology, and deployment of renewable energy technologies; a Renewable Portfolio Standard, to require that at least 5.5 percent of electricity sales be generated from non-hydroelectric renewable sources, subject to a cost cap; trading authority for nitrogen oxide emissions to facilitate cost-effective, market driven pollution reductions; and consumer information requirements to ensure that consumers can choose to purchase power from cleaner sources. We estimate that the plan will reduce greenhouse gas emissions by an estimated 25 million to 40 million metric tons in 2010. The Administration will monitor emissions by coordinating data received from utilities by the various agencies and such data will be provided in annual reports to the President, and will work with the Congress to ensure that any unanticipated consequences are addressed quickly and in keeping with the Administration's climate change policies.

3. Stranded Cost Principle. We support the principle that utilities should be able to recover prudently incurred, legitimate, and verifiable retail stranded costs arising from the transition to competition if these costs cannot be mitigated. States would continue to determine stranded cost recovery under State law.

4. Consumer Information. Uniform and easy to understand labeling similar to the Food and Drug Administration's nutritional labeling system will ease customer choice and facilitate the sale of environmentally responsible green power. The Department of Energy would develop a system for requiring all electricity sellers to disclose the price and environmental attributes of their power supply.

5. Strengthen Electric System Reliability. Reliability and competition can -- and must -- go hand in hand. To ensure reliability in the new market we propose to build upon the industry's tradition of self-regulation by requiring key market participants to join an organization which would establish reliability standards and enforce those standards subject to the oversight of the Federal Energy Regulatory Commission.

6. Cost Savings for Consumers and the Government. The typical family of four is expected to save over $230 per year from this plan: $104 per year directly -- in lower electricity bills -- and another $128 per year indirectly -- in lower costs for goods and services that use electricity. Federal, State and local governments will also save close to $2 billion per year.

September 16, 1998

MEMORANDUM

To: Secretary Richardson

From: Dan Adamson, Office of the Secretary

Re: Proposed New Electricity Initiative- Micropower

cc: David Goldwyn

The purpose of the proposed initiative is to maximize the consumer savings and environmental benefits from electricity competition through small, clean, efficient generation technologies such as natural gas microturbines, fuel cells, combined heat and power systems, and photovoltaics that can be installed near or on a electricity customer's site. Electricity policy wonks refer to this concept as "distributed generation." The working title of this initiative is "micropower." The initiative would have 3 components:

1. Legislation to remove regulatory barriers to micropower.
2. New Micropower Program in EE ($0.5 to $2 million a year)
3. Bully Pulpit Promotion of Micropower.

Background

The current electric utility monopoly structure includes many regulatory barriers that have made it difficult, if not impossible, to deploy smaller generators event though they often can deliver electricity at a lower cost, with less pollution, than traditional large central station power plants.

For example, a supermarket could have a gas-fired combined heat and power system that generates its electricity supply and uses the resulting waste steam to heat/cool the building and refrigerate/freeze food. Today, a typical older central station generator converts only 1/3rd of the energy content of the fuel it burns into electricity. A micropower combined heat and power system can utilize as much as 80 to 90% of the energy content of fuel, a huge efficiency gain that cuts fuel costs and reduced emissions of both conventional air pollutants and greenhouse gas emissions. Moving from large central station generation to dispersed, small generation is somewhat analogous to the move from main frame computers to personal computers.

Legislation on Regulatory Barriers

DOE's electricity competition legislation takes down many, but not all, of the regulatory barriers to micropower/distributed generation by introducing competition to the electricity sector and providing for uniform national standards for interconnecting micropower systems to the electric grid. Other barriers include air quality regulations which discriminate against distributed generation, availability of backup power, State regulation of the sale of steam, and State stranded cost recovery policies. The new initiative could take down at least some of these barriers and reemphasize our existing legislative provisions that help distributed generation.

New Cross-Cutting Research and Development Program

DOE's electricity generation R&D programs have played a major role in supporting the development of virtually all distributed generation/micropower technologies. To date, most of this work has been done in the Office of Energy Efficiency and Renewable Energy (EE) and the Office of Fossil Energy. However, there is no cross-cutting program to examine technical and regulatory issues common to all micropower technologies. A modest new program in EE ($0.5 to $2 million a year) could fill this gap and could be included in the proposed FY 2000 budget.

Bully Pulpit

One of the main barriers to increased use of micropower technologies is that very few businesses that are potential customers know they exist. As Secretary of Energy you could increase public awareness by promoting these technologies and their benefits. The opportunities would be ample as they are the fruit of the DOE R&D effort and also can be packaged to interest the media. They are both "high-tech" and "green." There are many micropower companies that would likely be eager to make interesting technologies available for various press events

Politics

The external politics of such an initiative are good because the natural gas industry, renewables community,and environmentalists would strongly support it. In the near term, most micropower generation is likely to be gas-fired. If the initiative is properly crafted, traditional utilities will not be supportive, but are not likely to offer strong opposition. In general, Congress has not yet considered these issues so there would be an opportunity to frame the issue politically.

Within the Administration, National Economic Council staff have reacted positively. In addition, the Vice President's office is likely be receptive due to the environmental and technology benefits of the initiative. The fact that the initiative is partly based on ideas advanced by Tom Casten, the CEO of Trigen, a combined heat and power company, will be helpful because Casten is close to the White House. He helped us overcome the arguments of EPA and CEQ staff that competition was bad for air quality, and finally get the electricity bill out of the Administration. Finally, the concept complements our existing electricity policies.