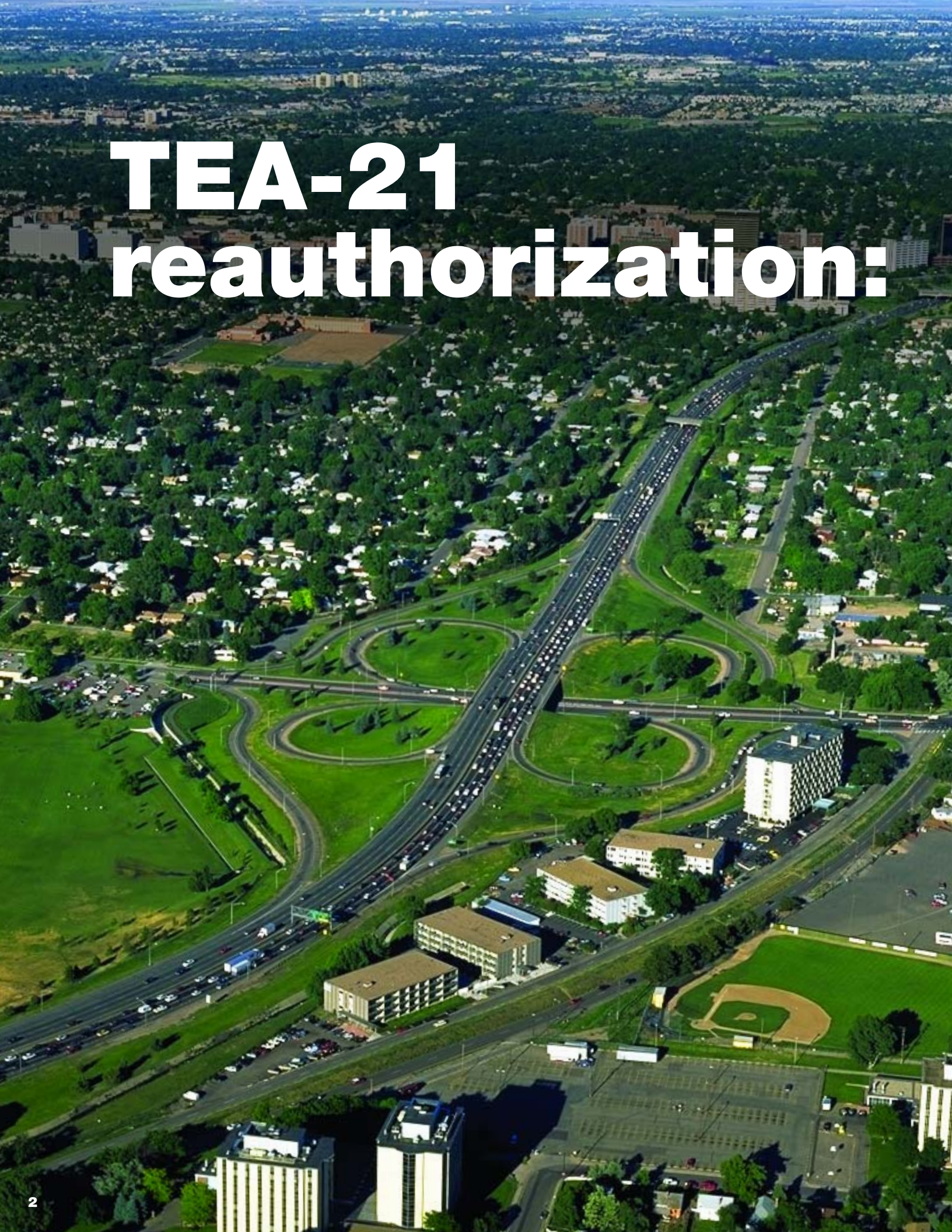


provided for Floridians for  
Better Transportation (FBT) by  
**Carter-Burgess**



# TEA-21 reauthorization: what's next?

# TEA-21 reauthorization:



# what's next?

building, maintaining  
and funding our  
national highway  
system has been  
called the greatest of  
all public works  
projects

*"A year before the election [everything] is neat, simple, cold, logical, and wrong."*

— Former Congressman  
Morris K. Udall

WITH THE Transportation Equity Act for the 21st Century (TEA-21) not due to expire until September 30, 2003, making predictions now about what will happen is a risky proposition. Yet, the reauthorization of TEA-21 is of such importance that gaining a better understanding of what "may" happen and how to create positive change is well worth the risk of being "neat, simple, cold, logical, and wrong."

This article is designed to equip you the reader with both an understanding of the current act (TEA-21) and the "tools" to help create beneficial changes in the next federal transportation bill.

## the long road to TEA-21

Any discussion of TEA-21 would be incomplete without an understanding of what preceded its enactment in 1998. The road leading to this important legislation has been long and winding.

"Over the years, there have been many transportation acts that were the building blocks of the federal transportation program we appreciate today," said Douglas Callaway, President of Floridians for Better Transportation (FBT).

Just as the upper levels of a building rest upon a foundation previously laid, so too, TEA-21 is built upon a founda-

tion of federal involvement in surface transportation going back specifically to 1916.

## getting out of the mud

Though hard to imagine today, it is only within the 20th century that the planning, construction, and maintenance of roads has been recognized as a shared responsibility of the federal government and its state and local partners. During the latter half of the 1800s, privately owned railroads carried the overwhelming majority of interstate travel and commerce. Simply put, highways were considered a function of local governments, and not a national concern.

By the 1890s, however, the growing use of bicycles helped revive interest in roads. As farmers began to also understand how important roads were to "getting them out of the mud," they joined with bicyclists to become significant players in the "Good Roads" movement. Later, after the introduction of the Ford Model T in 1908, support for federal involvement with roads took on a new, powerful ally in the American Automobile Association (AAA).

Finally, in 1916 the Federal Aid Road Act was passed by Congress and signed into law by President Woodrow Wilson. For the first time, state road departments with professional engineers would work with a federal highway agency to build "federal-aid highways."

## Ike and the interstate era

In the late 1930s, there began to grow an understanding that so-called “super-highways” were needed to link states together and indeed, the entire nation. During the Depression, President Franklin Roosevelt talked of building super tollways across the country as a method of putting people back to work. But it would be left to one of his successors, Dwight Eisenhower, to initiate construction of the Interstate Highway System.

Decades before becoming president, Eisenhower came to appreciate the national importance of highways. In 1919, as a young Lieutenant Colonel, he was a member of the U.S. Army’s first transcontinental motorized convoy — 81 trucks and autos across America. After departing from Washington, D.C., the convoy arrived 62 days later in San Francisco on September 55 having covered 3,251 miles. Eisenhower later recalled that this trip “started me thinking about good, two-lane highways, but Germany had made me see the wisdom of broader ribbons across the land.”

When he referred to Germany, Eisenhower meant the German highway system known as the “autobahn.” Started in 1933 by Adolf Hitler, the Reichsautobahnen, or National Auto Road, emphasized economic over military reasons for this ambitious public works project. However, during World War II the autobahn’s three north-south and east-west routes enabled German troops and supplies to enjoy unprecedented mobility.

During the Cold War era of the mid-1950s, Ike clearly remembered the economic and military benefits the autobahn provided to Germany and was determined to create a similar highway network for the United States. With the passage of the Federal Aid Highway Act of 1956, the National System of Interstate and Defense Highways was begun.

In October 1990, some 39 years later, President George Bush signed legislation renaming the Interstate Highway System after Dwight D. Eisenhower. Ironically, Bush’s father, Senator Prescott Bush of Connecticut, had been a key advocate for the original idea of an interstate highway program.

*“More than any single action by the government since the end of the war, this one would change the face of America ... Its impact on the American economy - the jobs it would produce in manufacturing and construction, the rural areas it would open up - was beyond calculation.”*

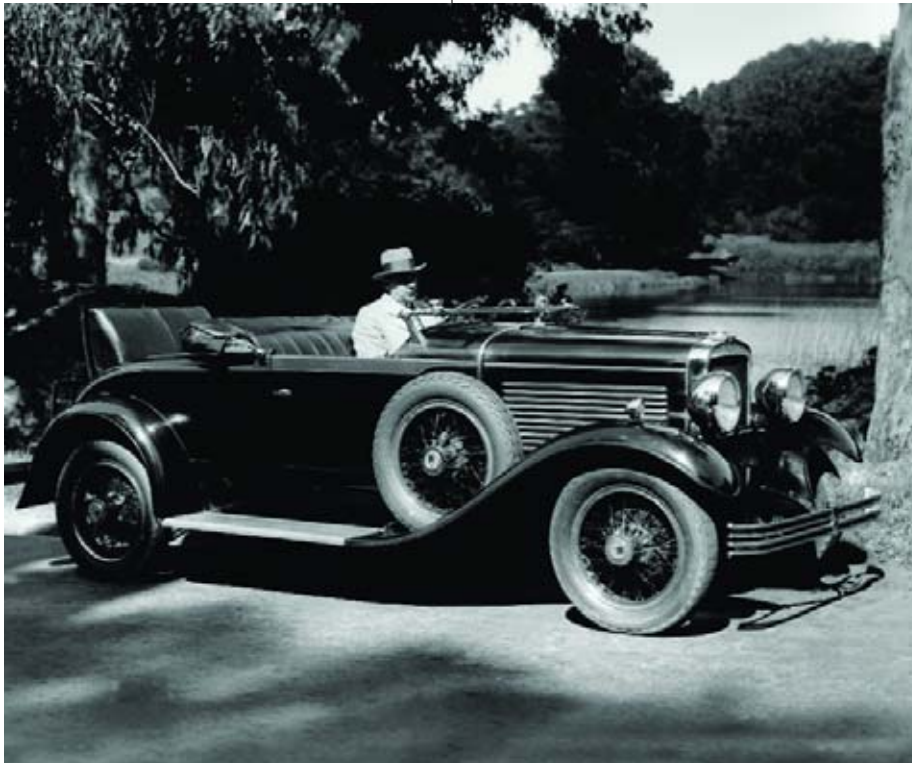
-from Eisenhower’s 1963 memoir, Mandate for Change 1953-1956

## a new “brew” called ISTEA

By 1991, with construction of the Interstate Highway System virtually complete, national transportation decision makers sought to refocus federal involvement in surface transportation. The Interstate System, once dubbed “the greatest public works program in the history of the world” by former Commerce Secretary Sinclair Weeks, had been an undeniable success. However, new transportation challenges — such as traffic congestion, air quality problems, and the need for alternative modes of travel — were now confronting this nation as it entered the last decade of the 20th Century.

In this environment, Congress and the Bush Administration sought to craft a fresh approach to the time-honored federal-state partnership in surface transportation. The new bill was called ISTEA (pronounced “Ice Tea”) and stood for the Intermodal Surface Transportation Efficiency Act. Specifically, ISTEA brought about a major shift in federal transportation policy by:

- Allowing greater funding flexibility and enhanced decision making by state and local governments;
- Leveling the “playing field” in terms of federal funding rates for transit and highway projects;
- Providing transportation funding for congestion and air quality purposes; and
- Making eligible for federal funding, a variety of quality-of-life initiatives, such as bike paths, sidewalks, and historic preservation.



**After the introduction of the automobile, support for federal involvement with roads took on a new, powerful ally in the American Automobile Association (AAA).**

# breakdown of the \$217 billion provided by TEA-21

“Major changes have taken place in the federal aid programs since 1956, but ISTEA made dramatic changes in the way the federal government dealt with transportation policy,” says W. David Lee, administrator of statewide planning and policy analysis for the Florida Department of Transportation. “It gave states unprecedented flexibility to use federal funds for almost any type of transportation project to meet their needs.” David Soileau, manager of Federal Legislative Affairs for the Texas Department of Transportation agrees. “ISTEA gave states greater authority to spend the money,” Soileau states.

## changing lanes from ISTEA to TEA-21

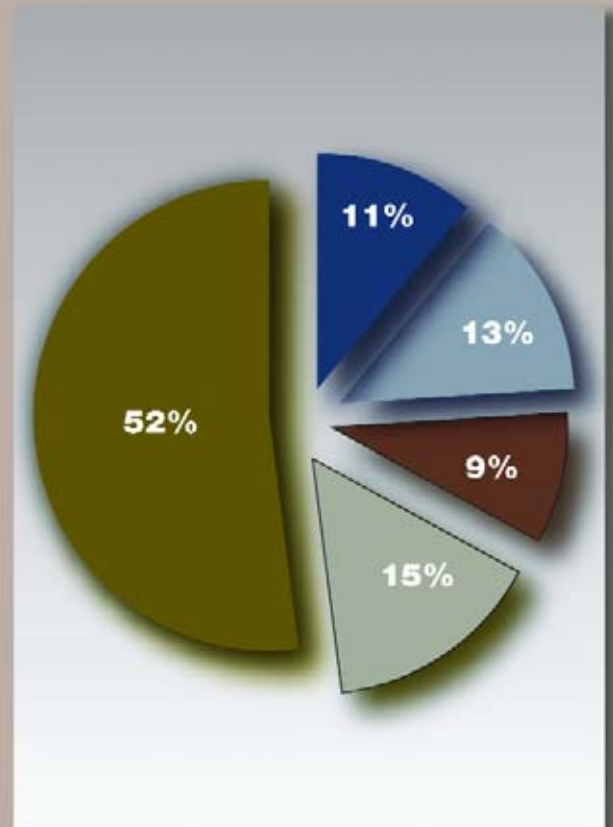
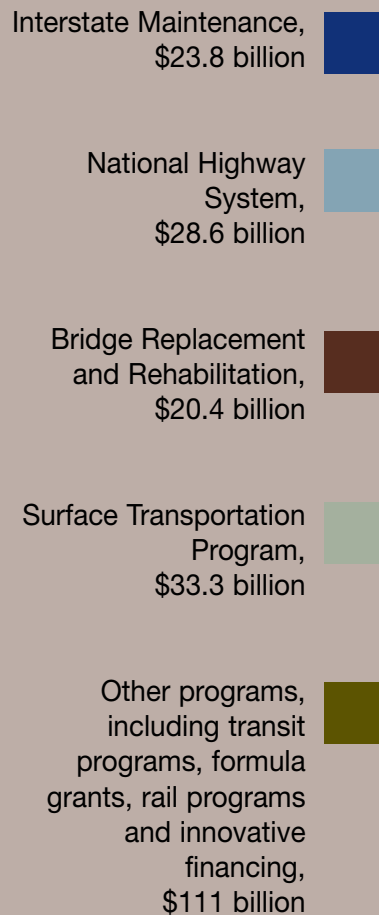
“Many states wanted to reauthorize ISTEA after it expired in 1997, but with an even greater push toward funding equity,” says FBT’s Callaway. “In 1998, a new act was enacted that not only expanded the use of federal funds even more than ISTEA — but attempted to level the playing field between the states.”

On June 9, 1998, President Clinton signed into law the \$217 billion Transportation Equity Act for the 21st Century (TEA-21), authorizing highway, transit, highway safety, and other surface transportation programs for the next six years. (For more information, visit the U.S. DOT’s website on TEA-21 at: [www.fhwa.dot.gov/tea21/index.htm](http://www.fhwa.dot.gov/tea21/index.htm))

It has been said that the three most important things to remember in real estate, are “location, location, and location.” In much the same way, going into the reauthorization of ISTEA in 1997 — and the subsequent creation of the new bill TEA-21 (Transportation Equity Act for the 21st Century), the primary focus was on “money, money, and money.”

This overriding emphasis on money during the creation of TEA-21 took three forms:

- The overall size of the federal transportation funding “pie;”
- The linkage between Trust Fund revenues and spending; and
- The relative distribution of federal funds among the states.



In 1993, as part of a deficit reduction plan, the Clinton Administration proposed, and Congress narrowly approved, a 4.3 cent increase in the federal gas tax. However, the dollars generated by this user fee increase were not to flow into the federal Highway Trust Fund, but instead be deposited into the federal government’s general fund. For only the second time since the Highway Trust Fund was created in 1956, federal gas tax revenues would not be used to improve transportation in America. But by 1997, with federal budgetary pressures having been eased, the dollars generated by these 4.3 cents were shifted to the Highway Trust Fund. Later, in TEA-21 these funds were utilized to dramatically expand the size of the federal program and provide overall transportation funding increases for virtually

every state, with the exception of Massachusetts.

Seeking to ensure that the increased funding made possible by the 4.3 cents would be available to the states, the House and Senate Transportation Authorization Committees created a budgetary mechanism called RABA, or Revenue Aligned Budget Authority. RABA established an iron-clad connection between federal gas tax revenues and the following year’s transportation funding level, then enforced this linkage through parliamentary “points of order” procedures and provisions within Congress.

While neither of the first two money issues were easily solved during formulation of TEA-21, perhaps the most contentious one as it affected state DOTs was the so-called “Donor-Donee State” fight. Going back to the establishment

of the Highway Trust Fund in 1956 when the Interstate program was begun, there have long been certain states that receive back more than they contribute (donees), and others that get back less (donors).

The pressure was growing over the last few reauthorizations to provide some equalization of the growing disparity between donor and donee states. If left unaddressed, these pressures might well have threatened the continued existence of the federal aid program.

Fortunately, when the 4.3 cents was tapped, it allowed the overall program to grow sufficiently, so that improved funding “equity” was made possible for donor states, while 49 of the 50 states saw their total funding levels increase as well.

## what will the next “TEA” taste like?

*“There are two things important in politics, the first is money and I can’t remember what the second one is.”*

-Republican National Committee  
Chairman Mark Hanna 1896

As states, counties, cities, transit agencies, MPOs, and Members of Congress themselves prepare for the “reauthorization” of TEA-21, a great many important issues will certainly come to the fore. But, as Mark Hanna pointed out over 100 years ago, the main thing in politics — money — will undoubtedly remain the “main” thing. Therefore, reauthorization issues that directly relate to funding clearly may generate the most attention.

Among the issues that will likely surface during TEA-21 Reauthorization are:

- Protecting and improving transportation funding guarantees — Action to protect and improve the budgetary “firewalls” and Revenue Aligned Budget Authority (RABA) provisions of TEA-21 is certain. It will be essential to protect mechanisms that ensure all revenues in the Highway Trust Fund (HTF) are spent for their intended purposes. Simply put, the RABA “linkage” between

HTF revenues and expenditures so vital in TEA-21 will be of paramount importance during reauthorization. Further, efforts to fine-tune the RABA provision to prevent future occurrences of so-called “negative RABA” can also be expected.

- Consideration of options for increased funding... without a gas tax increase — Options for providing increased funding for transportation from the Highway Trust Fund and General Fund might be explored. These may include (1) elimination of the 2.5 cents per gallon of gasohol transfer to the General Fund, (2) rebating the 5.3 cents per gallon of subsidy for gasohol from the General Fund, (3) spending down the balance of funds in the Highway Trust Fund, and (4) indexing the federal motor fuels taxes.
- Donor state efforts to increase their rate of return — Historically, donor states receive less than a dollar back for each dollar sent to the Highway Trust Fund. Some improvement was made for donor states in 1991 with ISTEA, and further improvements were achieved in 1998 under TEA-21. Donor states can be expected to seek continued improvement in their rates of return. To ensure a minimum level of “equity” under TEA-21, a 90.5 percent “Minimum Guarantee” (MG) was applied to a significant portion of the dollars available for distribution to the states. Donors might well attempt to increase both this MG percentage — say up to 95 percent — and the amount of transportation funds to which it is applied. Naturally, donee states will resist such efforts to “re-slice” the transportation funding “pie.”
- Possible expansion of innovative financing options — The innovative finance tools included in TEA-21 (TIFIA, State Infrastructure Banks, GARVEE bonding authority, advanced construction provisions, and flexible match provisions) will likely be continued, and additional tools such as an “Intermodal Project Fund Pool” considered.

- Probable conflict between program simplification advocates and those in favor of new programs — Reauthorization of TEA-21 will certainly bring many requests for additional programs and funding set-asides for targeted purposes. However, others interested in simplifying the existing TEA-21 program structure will likely resist these efforts. Instead, they will advocate broadening the eligibility within the existing program structure, rather than adding new programs.
- Environmental Streamlining — Though provisions to streamline the federal environmental processes were included in TEA-21, satisfactory regulations were never successfully produced and implemented. Additional effort may be directed during TEA-21 Reauthorization to finding ways to speed up the environmental work associated with transportation projects, while still protecting our nation’s valuable, natural resources.

## so what WILL happen next?

Seven years ago, James K. Glassman wrote in the Washington Post an intriguing column titled, “What Next?” Glassman, the former editor of the Capitol Hill newspaper known as Roll Call, said, “What will happen next? Ignorance is the correct answer, but it’s unacceptable. It creates too much anxiety, and it threatens the power of the chattering classes, the experts. So we pretend the future is knowable.”

“While Floridians for Better Transportation will probably never be considered a member of the ‘chattering classes,’ we do understand how the federal legislative game is played,” states FBT’s Callaway. “Obviously, no one knows for sure exactly what TEA-21’s successor will look like. But that shouldn’t prevent us from working today to create a better federal surface transportation program for tomorrow,” he concludes.

# how to be a ... transportation advocate in Washington



To assist our friends in being effective transportation advocates, Floridians for Better Transportation (FBT) is pleased that Carter & Burgess is making available the “Transportation Advocate In Washington” handbook authored by FBT President Doug Callaway. Prior to joining FBT, Callaway was a transportation program manager in Carter & Burgess’ corporate headquarters in Fort Worth, Texas. In 2001, Callaway was named to the Transportation Advisory Committee for the transition effort of President George W. Bush. He also served as the Federal Programs Coordinator for the Florida Department of Transportation for 12 years, and a Congressional Legislative Director on Capitol Hill in the late 1980s. Copies of this handbook may be accessed electronically at FBT’s website at: [www.bettertransportation.org](http://www.bettertransportation.org)

A sample of what’s included in the handbook is as follows:

- The “Jell-O Syndrome” — mistaking motion for progress
- “Callaway’s Corollary” — All Politics is Personal
- What former baseball player Cal Ripken has to do with all this
- Why “facts are nice, but slogans sell beer”
- How not to say anything you’re not willing to see reduced to a six-word headline

## OFFICE LOCATIONS

Arlington, TX .....	817.303.2145	Las Vegas, NV.....	702.938.5400	Salt Lake City, UT .....	801.355.1112
Atlanta, GA.....	770.951.0020	Little Rock, AR .....	501.223.0515	San Antonio, TX .....	210.494.0088
Austin, TX .....	512.314.3100	Los Angeles, CA		San Jose, CA.....	408.428.2010
Baltimore, MD.....	410.727.6773	Commerce .....	323.890.9380	Tampa, FL.....	813.975.7241
Boston, MA.....	617.225.0200	Encino .....	818.784.7585	Washington, D.C. ....	202.776.7718
Chicago, IL		New York, NY.....	212.354.3675		
Downtown .....	312.466.5754	Oakland, CA			
Warrenville.....	630.393.7790	Broadway Street ....	510.465.8400		
Cleveland, OH .....	216.803.1813	Rotunda .....	510.457.0027		
Columbus, OH .....	614.221.7300	Oklahoma City, OK ..	405.810.8254		
Dallas, TX.....	214.638.0145	Orange County, CA ..	714.327.1600		
Denver, CO .....	303.820.5240	Orlando, FL.....	407.514.1400		
Detroit, MI .....	248.633.1440	Phoenix, AZ .....	602.263.5309		
Fort Lauderdale, FL...	954.315.1001	Portland, OR.....	503.535.8036		
Fort Worth, TX.....	817.735.6000	Raleigh, NC.....	919.783.5988		
Houston, TX.....	713.869.7900	St. George, UT .....	435.627.1888		
Indianapolis, IN .....	317.945.1810	Sacramento, CA.....	916.929.3323		

## VENTURES & DIVISIONS

### Pelton Marsh Kinsella

Dallas, TX.....	214.688.7444
Las Vegas, NV .....	702.938.5600
Miami Beach, FL.....	305.868.1531

### Maintenance Design Group

Denver, CO .....	303.820.5270
Houston, TX .....	713.803.2350

*Carter & Burgess Architects/Engineers, Inc.,  
Carter & Burgess Consultants, Inc.,  
C&B Architects/Engineers, Inc.,  
C&B Architects/Engineers, P.C.,  
C&B Nevada, Inc., and Nixon & Laird  
Architects/Engineers, P.C.,  
are entities related to Carter & Burgess, Inc.*

*© Copyright 2003, Carter & Burgess, Inc.  
All rights reserved. 05/03 CB*



Douglas J. Callaway, *President*

Floridians for Better Transportation

136 South Bronough Street

Tallahassee, Florida 32301

Phone: 850.521.1256

Fax: 850.521.1257

Cellular: 850.510.8985

[dcallaway@bettertransportation.org](mailto:dcallaway@bettertransportation.org)

[www.c-b.com](http://www.c-b.com)