

Future of Rural Transportation

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I'm here today to talk about a subject that, frankly, doesn't generate much excitement. I'm happy to be addressing an audience who has an appreciation for the very real challenges and opportunities involved with it. I feel as though you have the upper hand today. You are, after all, the professionals who are dealing with the problems and solutions involved in rural transportation on an every day basis.

Let me take a moment to tell you about the USDA's Office of Transportation. The Office of Transportation was established within USDA in 1978 to bring together traffic managers, economists, engineers, rural policy analysts, international trade specialists and agricultural marketing specialists from several USDA agencies to help solve problems relating to U.S. and world agricultural transportation systems. We provide assistance to state and local decision-makers, and to shippers and farmers on regulatory, policy and legislative matters in order to satisfy the transportation needs of rural communities and agriculture.

Over the past two years, two national policy development processes have been taking place seemingly independent of each other. One addresses the development of a national transportation policy, and the other focuses on rural development. Although each has focused on different issues with different sponsors, they share a strong relationship in the way they affect rural America.

In a recent survey conducted for the National Governor's Association, state transportation agencies indicated that transportation serves at least three important roles for rural America today. I want to take a look at each of these. They are mobility and access for rural residents to jobs and services, the movement of agricultural products, and support for economic development. Basically what we're talking about, then, is rural roads and bridges, rural passenger transportation and rural rail service.

I want to take a brief look at each of these, based on work that we recently completed in cooperation with state and local officials, numerous transportation and related associations, the private sector and other federal agencies. Our main purpose in completing this work is to provide information to those who will be involved in the discussion and debate as we move toward a new era in transportation policy, including state and local officials, transportation associations, Congress and the Administration.

For our part, we participated in the Transportation Alternatives Group (TAG) Chairman's Advisory Council. This council developed the Transportation 2020 Policy recommendations for the future federal surface transportation program. In preparation for discussions prior to the 1991 Surface Transportation Reauthorization, we reviewed and analyzed 2020 testimony presented at forums

throughout the country. We then further analyzed presentations on rural transportation to identify the broader transportation issues and themes underlying the concerns and recommendations made by participants.

More recently, we worked hand in hand with the U.S. Department of Transportation in the assessment and development stages of their National Transportation Policy. We worked very closely with four of the six "Cluster Groups" to provide the rural perspective, but particularly with the Rural Market Cluster Group. We were represented on each of its hearing panels at eight locations throughout the country. We provided the U.S. DOT with all of the relevant research we've recently completed, and we were very well received by DOT in a highly cooperative spirit.

Most recently we testified before the Senate Environment and Public Works Committee regarding our findings. I suspect we will be very busy with Congress in the coming months as it begins to hold hearings and shape the Surface Transportation Reauthorization legislation.

All of our work has been done for almost one specific reason. There has been a general lack of focus on the dynamic changes that have occurred in rural America, and their impact on transportation systems. Urban gridlock and congestion tend to dominate discussions at a time when rural America is experiencing dynamic population and economic shifts, and is struggling to maintain an infrastructure that may not serve its current needs. Let's take a quick look at some of the results of these efforts.

RURAL ROADS AND BRIDGES

The rural road network is large and serves primarily low volumes of traffic. Highway statistics published by the Federal Highway Administration indicate that of the nation's 3.9 million miles, 3.2 million are rural. Interstates and other primary routes account for 8 percent of the rural network, whereas collector and local roads account for 92 percent.

On these rural roads, there are roughly 470,000 inventoried bridges twenty feet or greater in length. Rural bridges account for about 81 percent of the national total, and we suspect that there are hundreds, if not thousands, of rural bridges under twenty feet in length that are not taken into account in the national bridge inventory.

The responsibility for the rural road network is almost entirely the responsibility of state and local governments. Nationally, about 71 percent is under local control and 22 percent is under state control. Broken down further, counties are responsible for 71 percent of rural mileage, towns and townships for 20 percent and the other 9 percent by local governments.

Looking at the condition of rural roads and bridges, we found FHWA statistics indicate that about one-half of the nation's rural bridges are deficient for either structural or functional reasons. Nearly a third of the total are posted or closed. County highway officials reported that nearly 38 percent of their road mileage has limited failures and is, at best, barely adequate for present travel demands.

In 1987, counties, towns and townships were responsible for 56 percent of the nation's highway mileage, but spent 18 percent of the highway funds. By comparison, states and municipalities were responsible for 39 percent of the mileage

and spent 81 percent of the funds. Local governments finance roads and bridges using several revenue sources including local revenues, state highway aid, and the federal aid highway programs. Property taxes are an important component of local highway finance. Dedicated property taxes for maintaining roads and bridges has remained at about 20 percent since 1977. Reliance on intergovernmental aid from federal and state government declined, however, from 49 percent in 1977 to 35 percent in 1986.

County highway officials reported the annual average cost for maintaining a mile of road ranges from \$1,890 for loose aggregate surface roads to \$5,109 for concrete or paved roads.

RURAL PASSENGER TRANSPORTATION

Rural passenger transportation today is in transition due to economic and demographic changes combined with the deregulation of the major passenger transportation modes — namely rail, air and intercity bus. Two of our reports — *Reconnecting Rural America: Report on Rural Intercity Passenger Transportation* and *Recommendations for a National Strategy on Reconnecting Rural America* — detail the current rural passenger situation and list recommendations for improving rural mobility.

Briefly, passenger rail was the first transportation mode to undergo deregulation with the Transportation Act of 1958. Between 1958 and 1970, the number of passenger trains fell by 60 percent. The Rail Passenger Services Act of 1970 created Amtrak, a federally subsidized corporation, which now serves more than 500 communities throughout the nation (although service emphasis is largely in high density commuter corridors).

In 1978, the Airline Deregulation Act freed airlines from the regulations that had guided the industry since the 1930s. Overall, domestic airline traffic has increased 40 percent since deregulation. Small communities experienced several changes in air service as commuters began to serve small communities formerly served by full-sized jets. Most commuter schedules are, in fact, more convenient than the jet schedules. Fares in medium and small markets have risen, while they have dropped in the larger markets.

Congress, Recognized that deregulation might have adverse effects on rural areas. Therefore, they instituted the Essential Air Service (EAS) Program to maintain scheduled airline service to small communities and isolated areas, with direct federal assistance where needed. Nearly 150 communities receive EAS assistance, which was scheduled to terminate in 1989, but was extended for another ten years.

In 1982, the intercity bus industry was deregulated with the Bus Regulatory Reform Act. As the last passenger transportation sector to be deregulated, there are several differences between the bus industry and the rail and air industries. First, the rail and air deregulation acts required the Interstate Commerce Commission (ICC) to consider the impact of abandonment on communities. The Bus Act directs the ICC to give priority to abandoning unprofitable routes and cross-subsidization wherever possible. Second, while Congress established Amtrak to ensure the continuation of a passenger rail network and initiated EAS to continue air service for small communities, no such program emerged for intercity bus transportation.

The result is that within a year of the Act, over 2,100 service points had lost or were slated to lose some or all bus service. A 1986 study by the ICC estimated that between 1982 and 1986, a total of 4,514 points had lost service, with over 3,700 points losing all intercity bus service. Small towns were the biggest losers — 3,432 of the points that lost service had populations of 10,000 or less.

RURAL RAIL SERVICE

The rural rail network connecting agricultural and rural America has been steadily shrinking since the early 1900s when the U.S. rail system peaked at 254,000 miles. Since that time, almost no new railroad construction has occurred and service on thousands of miles has been abandoned. Between 1929 and the mid-1980s, the railroad's share of U.S. intercity freight dropped from nearly 75 percent of total revenue ton-miles to 37 percent. Rail line abandonment has been particularly intensive in the 1980s, because of changes in the abandonment procedures in the Staggers Rail Act of 1980. The result was an average of 3,766 miles of track per year abandoned between 1980 and 1985. I don't need to point out the tremendous impact these abandonments have had on local roads due to increased truck traffic.

Over the past decade, the most significant development in rail transportation has been the emergence of small railroads as a viable means for rail service to rural America. Small railroads are important to agricultural and rural communities in that they play a vital role in supplying raw materials and farm inputs and in marketing the products of rural and agricultural areas.

We have published a handbook entitled *Maintaining Local Rail Service*, which was designed to assist state and local officials in assuring continued rail service in the face of massive abandonments. Secretary Skinner has indicated that the National Transportation Policy will encourage revision of several rail labor provisions that are seen as a major impediment to the formation of branch line railroads to serve rural America.

SUMMARY

Now that I've highlighted the bad news, the good news is that recurring and cross-cutting themes arose during the research. Also, the results of our work, as I stated earlier, have been presented and taken into consideration in the 2020 process. Moreover, we are continuing to work with Congress as the debate begins on the Surface Transportation and Uniform Relocation Assistance reauthorization for 1991.

The first of the themes mentioned above emphasized the importance of maintenance. Participants throughout the country indicated the rural transportation infrastructure is deteriorating and that measures should be taken as quickly as possible to prevent further decline. In general, the size of the road system was believed to be adequate, but maintenance was deemed critical to sustaining current service. New construction was a low priority, with the exception of those rural areas in the path of expanding metropolitan areas.

The second theme focused on the need for greater public-private cooperation in providing adequate transportation. The participation of industry in transportation planning activities at all levels was deemed critical to the smooth development of transportation facilities in those areas undergoing economic growth. Private

sector involvement in transportation can extend public resources while ensuring that investments in costly public infrastructure will occur in tandem with economic growth.

Third, planning rural transportation services and construction of facilities should take on a regional focus. Transportation patterns today do not follow jurisdictional boundaries. Nor do those utilizing transportation services consider such boundaries in making their choices. Local transportation, whether we are talking about roads or transit systems, follows local political boundaries. This is a severe limitation that reduces the utility and efficiency of transportation available to rural areas. A regional approach to resolving issues, where appropriate, would eliminate costly gaps or duplication of service.

Fourth, government roles need to be reconsidered as the post-Interstate era begins. Federal involvement must continue to meet the transportation needs not easily sustained by state or local governments, including funding and technical assistance. Greater involvement by the states is called for, with the states being asked to assume a greater financial and technical responsibility for maintaining existing infrastructure. Local governments need to redefine their transportation role and recognize the importance of organization and management, particularly in light of declining funding sources. Consolidating local transportation functions within a rural area can, perhaps, reduce costs for each government involved, while assuring maintenance of needed local transportation services.

The fifth theme focused on the need to maximize available transportation resources by creating intermodal opportunities. Linking existing transportation services can reduce the cost of transporting both freight and passengers, while expanding options for rural transportation users. Facilities that (for example) link rail and bus, or taxi, bus and air, not only simplify passenger transfer to another mode, but also encourage greater use of available transportation facilities.

The sixth theme stressed the need to foster multi-modal transportation options. Shippers able to choose barge, rail, truck or air to move their product to market can be assured a quality service at a competitive price. Likewise, passengers able to select air, rail or bus service to reach a given destination can use the service that best meets their needs. Encouraging the development of all modes through appropriate federal policies can assure greater competition among modes and reduce prices for users of transportation services.

The seventh and final theme recognized how increased flexibility can expand available transportation resources. Such flexibility applies to programs, funding, regulations and standards. Inflexible program definitions may limit effective utilization of program resources in rural areas, while funding restrictions may (for example) require a rural community to provide separate rides for two residents of the same village. Rigid standards may require overbuilding of infrastructure to meet traffic levels not experienced by a given rural location. Transportation programs should be designed to allow flexible approaches that permit appropriate response to local transportation needs, but that also ensure public safety.

Most assuredly, specific solutions to transportation problems will vary by state and locality. The transportation problems facing rural America are not neatly compartmentalized along modal or commodity lines, political boundaries, or levels of government. Neither are they limited to the public or private sector.

Likewise, the solutions are not confined to a mode, political boundary, or level of government. Rather, the solutions are to be found through greater cooperation among the different levels of government and between the public and private sectors. Only such a collective effort can create the framework for a brighter future for rural areas and the nation as a whole.

The future of rural transportation is challenging. It will require better planning and a more efficient use of existing resources. It will require vision. State and local officials need to take a closer look at the emerging needs of agricultural and rural transportation and examine how the existing system, which was designed to serve substantially different needs, addresses current and foreseeable future needs. It will require cooperation, not only between the federal, state, and local governments, but on a regional basis. It will require flexibility, both in design standards and funding. A more flexible federal policy will provide you with the opportunity to make the best possible use of limited resources, recognizing that transportation needs vary at the local level.

The recurring themes are outlined in each of the reports, but it's no surprise that they include public/private sector cooperation, intergovernmental cooperation, regional planning, intermodalism and innovation. As the policy formulation takes shape, USDA's Office of Transportation looks forward to working with state and local officials and others to assure that rural America maintains a viable role in the national economy.