

Transportation Strategies for Indiana

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As I prepared my remarks for this speech, it occurred to me that I was actually marking time by this conference called Road School. I realized that this is my third Road School. Three years ago, when I was still at Cummins Engine, it never occurred to me that I would be speaking here. But, Road School is good. Road School is fun. I hope it will continue to be. We've worked hard to continually improve the programs, improve our participation and work more closely with all the participants here.

The first year I was asked to speak, I had been in the department for only a couple of months and I didn't know much about transportation yet. So I decided to talk about the management themes I hoped to initiate in the department. I am proud that those themes are still with us, and that most of our management personnel are using them every day in the way they manage.

Last year — my second year here — I thought it was important to take stock of some of our accomplishments in the department and describe some of our programs. Again, I was pleased that many of the improvement goals and objectives we set the first year were still at work in the way the divisions and the districts were operating.

Now I am at my third Road School and, unfortunately, I probably still don't know a lot about transportation. But, I've decided it's time to branch out and begin to reach outside the department in some of our work.

I'm going to discuss two areas. These are two emphasis areas for us over the next year and for the next several years. I think it is important for the department to join with the other transportation constituencies in Indiana. We all need to work together to understand our role in national transportation, which is being defined by the new Surface Transportation Act. We need to create some strategies and long range plans for Indiana transportation.

We have been working on these plans for a couple years, and we are finally releasing them this week. This will be the first glimpse of what some of our strategies are. It is important to define strategies for Indiana and formulate some long range plans because we must anticipate what will happen, so that we can maximize our investment in transportation and help the economy of Indiana.

First, I will look at the Surface Transportation Act, and the positive and negative aspects of the program as seen by Indiana. This act does constitute a major change to the current transportation program. The positive aspects are items we have advocated and have worked hard with AASHTO and FHWA to accomplish.

The new bill calls for a five year authorization. There were some rumors that certain national constituents wanted a two year extension of current programs.

That would not be good for Indiana, because we want to see some improvements in the structure of the program that will aid Indiana. Another positive aspect is that funding levels will increase. That is a very good sign. Also, it is a simplified program that will allow for more flexibility for the states.

However, there are major negative aspects of the program for Indiana. First, the minimum allocation provision of the current National Highway Bill is repealed. The minimum allocation provision ensures that all states get at least 85 percent back on their dollar. Indiana is a donor state, so the only reason we have been getting 85 percent back is this provision. Indiana has received \$550 million over that past years as a result of the minimum allocation program. Local agencies have received \$140 million of this allocation. This type of funding may be jeopardized.

There are a lot of different categories in the national program, and it is good that they're combined. The categories include a portion of the primary system, all of the urban and rural secondary systems, a portion of the minimum allocation, all of the hazard elimination fund and the railroad crossing funds.

The positive aspect of this program is a dollar for dollar return based on what a state sends to Washington. That's very good. Indiana contributes more than thirty-seven other states. So, the more we get back the better off we are. Also, there is flexibility in administering the program; no individual project paperwork approvals. This will help us move projects much more quickly along to construction.

This program can be used for either highways or transit projects. There are restrictions, of course, on the kind of projects you can fund and how you move money to and from transit and highway projects. This can specifically benefit local entities, though. Those agencies that operate transit systems and want to look at transportation in a comprehensive way, can trade-off a transit solution to a problem versus a highway solution.

Finally, the design standards are established at the state level, which allows projects to be designed to fit the need of the project. This can help solve a problem, instead of having one set standard for all similar projects set at the federal level.

The negative aspect of this program is that the total funding, as a percent of the federal program is too small. We estimate that this program will receive about 25 to 30 percent of the funding, versus what we estimate as a total of 54 percent. We believe that the urban rural program should receive 50 percent of the funding, and that it should receive at least as much as the national highway system.

The state and local match would increase from 25 percent to 40 percent for most projects, and for rail-highway crossing and safety projects, the match would go from 10 percent to 40 percent. Anyone that represents a county, city or town knows what a burden this will be. It will be a burden for the state. It will be a burden for the locals. And, I don't think we ought to buy it.

The next major section of the bill is the bridge program. We believe that there is a better way to fund bridges. This bridge program would fund bridges that are on both the national highway system and the urban rural program. The bridges must be classified as eligible due to a low level service rating either in the structurally deficient category, or the functionally obsolete category.

The funding to the states, though, would be based on each state's cost to complete its bridges relative to the total national need. The problem is that this is unfair to low-cost states like Indiana. Funding is based on cost to complete. So

where construction costs have become inflated, the program supports no incentive to hold costs down.

Matching funds in the bridge program will increase from the current 20 percent to 25 percent. Indiana prefers no separate bridge program. We would like those funds that will be set aside for bridges to be incorporated into the national highway system or the urban rural program. This incorporation would give local agencies in the state more flexibility to decide whether to spend more money on bridges or on roads. If a separate bridge program is included as part of the bill, we advocate basing the funds on square footage of deficient bridges, not on the cost to improve those bridges.

In summary, the concepts of the bill are good. We definitely support the simplified structure of the program and the direction the administration is heading. Yet, many of the details are bad for Indiana. The key element that needs to be changed for Indiana is the need to include a minimum allocation provision in the new bill. We need to receive an equitable distribution of the formula funds, and we believe the formula should be based more on needs than they are now.

Finally, the matching ratios should not be increased. We will be working with our congressional delegation throughout the next year, and we hope that you will join us in contacting them to make sure that they understand very clearly what the priorities are for Indiana.

Next, I would like to introduce the transportation strategies we have been developing in the department, and the background of those strategies. What good are transportation strategies? What do they do? Transportation strategies are, first, an articulation and a practice. We have had many policies and practices in the department for years, and we have developed more over the past couple of years. I feel it is important that we articulate these and make sure people understand the direction we are going.

These strategies set a vision and create goals for what we wish to be. They will be a communication tool both internally and externally. They will be a subject for debate in clarification as we begin to discuss these strategies and get input from our transportation constituents. They will provide a touchstone within the department to guide our work priorities and allow us to make trade-offs. Finally, they will create a common purpose among transportation constituencies across Indiana. I hope that these strategies will help bring us together to do better planning and move forward on implementation.

What do these strategies not do? They are not right. They are just ideas right now. They are not the last word. Expect them to be changed, because they are not complete. We expect to receive input, and continue to refine them over this year. We created these strategies mostly through our long range planning group, which was formed in 1989. That group looked at the future. They looked at what was happening in Indiana — and across the nation today — and they established some dynamics, or issues, that would have the most impact on Indiana transportation systems over the next several years.

From this, they then developed policies and strategies that would, hopefully, allow our transportation system to adapt and anticipate these dynamics, and thus allow us to maximize our transportation investment. These policies and strategies will help us do the most important thing — support the economic vitality in Indiana.

That is what all of our transportation strategies are aimed toward, and it's very important to remember this as we begin to look at specific issues.

There are eight key dynamics and issues in our strategy statement. Under each one of these we have prepared a set of strategies. I won't go through all the strategies associated with each of these, as the final document will be available by Thursday, March 14, 1991.

The first key dynamic is demographic and quality of life changes in Indiana. We discovered that we have more diversified travel patterns. They've become more complicated than we were used to in the past. Life style changes, such as more leisure travel, cause different dynamics to transportation needs. Also, as we all recognize, we are all getting older. That is a key factor that will impact transportation strategies and systems in the future.

Two example strategies in this category are as follows. First, INDOT will be sensitive to the potential unmet transportation needs of the elderly and the transportation disadvantaged. Second, INDOT will work with local governments to encourage land-use policies that make efficient use of the existing transportation network. This will encourage local governments to provide incentives for businesses to locate and for development to occur where good infrastructure is already in place.

The second major dynamic is called system management. We have learned that transportation investment must be more sophisticated than just preparing lists of projects. We need to identify the users of our transportation systems and the missions of those systems. In other words, find out what the users want or need out of a system. Are the system designs capable of fulfilling that need? What is affecting the reputation of those systems today? How can we make them more efficient? How can we make them do what they should be doing? Do we really understand the inter-relationships of transportation systems?

There are several example strategies in this category. First, INDOT will protect the integrity and accessibility of existing highway facilities by developing access control and corridor preservation policies for all state facilities. Second, INDOT will encourage local entities to consider transit in land-use planning and transportation planning. This is one strategy we must begin to incorporate more and more into our transportation planning in Indiana. Third, INDOT will work with air carriers and local governments to ensure that essential passenger air service is maintained and even extended to smaller communities.

The third major dynamic in affecting transportation is safety. Safety is critical in the design of all our facilities, as well as in our safety devices, such as signs, signals, etc. We need to understand all of the safety ramifications of any kind of training we do, whether its operating training within our own department, or in transit systems, or construction worker training. Finally, we must account for safety as we begin to design and use new technology in all our forms of transportation.

An example strategy in this category is that INDOT will work to improve the highway accident location system. Then, we will have more reliable accident data available for planning, programming and design decisions. This is an item we've had trouble with for quite some time.

The fourth major issue — one of my favorites — is funding. There are funding issues across all the modes of transportation. The issue is not that there is too much. The basic problem in the highway mode is that our total estimated need for

improvement of our highway system is far greater than the public's propensity to raise funds to do it. Even though there is the capacity. There is the capacity at the county level and the state level, and there is some capacity at the national level. In aviation, like highways, the trust fund revenues have been held up to help balance the budget. However, congress did pass a new funding mechanism last year to help fund capital improvements at airports — the passenger facility charges.

In public transit, there is a continued erosion of operating funds, and again, their operating funds take another hit in the federal bill this year. Operating funds are cut back drastically, and we need more incentives for public transit and multi-passenger forms of transportation through governmental rules and regulations. In rail, the large railroads continue to consolidate and rationalize, which means abandonments and, unfortunately, limited funding to help out short lines that may want to pick up the operation of abandoned lines.

There are two Example strategies in the funding category that we intend to pursue quite vigorously over the next several years. First, INDOT will encourage private financial involvement whenever feasible to fund transportation. We get good cooperation from developers now for intersection improvements, land acquisition, signal improvements, etc., but we need to extend that further. Second, Indiana needs to research funding mechanisms that might replace fuel taxes, as alternate fuels and different propulsion systems become more commonplace in our transportation environment. This needs to be done at the national level, but we will work on it at the state level as well.

The fifth dynamic and issue is intergovernmental coordination. There are numerous dynamics happening currently that cause more rather than less relations among the federal, state and local entities. Examples of these are limited financial resources, deteriorating infrastructure, economic development requirements, environmental requirements, congestion and loss of system integrity because of lack of planning.

Let me discuss two example strategies in this category. First, INDOT will improve communication with local units of government when developing INDOT projects in or near their jurisdiction. This is an effort to insure compatibility with local plans, avoid duplication of effort, and to keep local officials informed. We have worked on this strategy over the last several years, and the agenda change for this year's Road School is a reflection of our continuing efforts. Second, INDOT will encourage transportation planning in counties and cities with populations of less than 50,000. We believe there is a void in transportation planning here. We believe that our long range planning group might be able to provide some tools, methods and training to help the local entities in this area.

The sixth dynamic is economic development. There have been many changes in our economy and in the way businesses make decisions about their transportation needs, location and logistics requirements over the last several years. We've seen "just-in-time manufacturing" change transportation needs. We've seen relocation of business centers from traditional downtown settings to satellite and spider operations throughout the state. Our key effort here will be to really understand the needs of business in Indiana. What do they need and how can we provide it?

I'll mention two strategies under economic development. First, INDOT will identify multi-modal commercial networks. We need to decide what is going where

in our system today. Indiana University will help us with this particular effort through their transportation research center. Second, INDOT will work to preserve and maintain those components of the rail network that economically benefit local communities. This something we have been trying to do. We just need to intensify our efforts and do a better job of developing this effort in regions where we need to fight to maintain rail service.

The seventh major dynamic is natural environment and energy. We have all been working on this dynamic already, but it has been frustrating us, and we're trying to catch up in a lot of cases. We're trying to learn. We all must deal with hazardous material, both on the roads and in the ground as we try to build roads or bridges. We also have environmentally sensitive areas and park plans that we must plan around or through. There are more and more federal and state laws and regulations that we need to understand. We have to comply with the intent, and make sure that our projects are compatible with all the new regulations.

We have some very ambitious strategies in this category. We agree with the environmental rules that are being established. Yes, they can make life difficult when you are trying to build a straight road. But, we believe they are right. We believe it is our responsibility to accommodate those requirements and their intent when we design and build facilities.

Our statement is that INDOT will plan, design, develop and maintain transportation facilities in ways that will insure minimal adverse impact on the environment. We must minimize noise, air and water pollution, as well as the destruction of wetlands, community disruption and ascetic degradation. Also, we must promote the wise use of energy. The second strategy is that INDOT will continue its Adopt-a-Highway program and the various trash cleanup programs. Finally, INDOT will place more emphasis on using recyclable materials in construction projects.

The last dynamic that needs to be incorporated into our future transportation thinking is new technology. We're seeing new technology in all forms of transportation, such as truck size and aircraft technology for navigation and noise. Soon we'll have smart cars that drive on smart highways. Finally, we'll have better materials that will be coming that will allow us to build more reliable and durable facilities.

One example strategy in this category is that INDOT will develop a freeway management system on the Borman Expressway. Plus we will continue to implement traffic management techniques where appropriate as a cost-effective alternative to adding capacity. This will help reduce transportation costs, increase speeds, save energy and improve safety while doing all of the above.

In summary, we saw a need to begin to identify these issues and get ahead of them. We developed policies strategies and, finally, action plans that would help us to maximize our investment in transportation. These strategies, which will be published in the book to come out later this week, are our first step. I invite you to take a look at them and digest them. We will be setting up meetings throughout the state in the next three or four months to debate these strategies and policies. We want to make sure people have an opportunity to tell us what we forgot, what we didn't emphasize enough or just provide more ideas to us. I look forward to working with all of you, both inside and outside of the department as we put together work plans to implement these strategies.