

**CHALLENGES
WITH
MULTI-STATE / JURISDICTIONAL
TRANSPORTATION ISSUES**

for

FHWA

**Office of Freight Management & Operations
Office of Intermodal and Statewide Programs**

by

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EXECUTIVE SUMMARY

One of the outgrowths of the new generation of federal transportation legislation is the complex multijurisdiction alliance or coalition. That is, some combination of entities, i.e., states, cities, MPOs, commissions, authorities, or not-for-profit organizations, that joins together to study/solve transportation issues facing them.

The typical multijurisdiction transportation “issue” of previous decades has been as elementary as two adjoining cities that desire to share common transit service, or neighboring states that want a new bridge spanning the river that forms their boundary. States and other jurisdictions have learned much from these beginnings.

Now, however, the issues are more complex. States and regions compete for position in the global marketplace while working to attract new jobs and retain existing workers. Transportation has witnessed the evolution of more complex alliances in recent times to address very complex issues.

This has led to the creation of various multijurisdiction coalitions whose mission is to study transportation issues and implement solutions that involve more than one government entity. The proliferation of High Priority Corridors, the National Border Crossing initiatives and new economic alliances promise that more new multijurisdiction coalitions will be formed.

CASE STUDIES

Multijurisdiction coalitions have special needs and circumstances that separate them from traditional, single jurisdiction efforts. This White Paper summarizes seven case studies involving multi-state/jurisdiction alliances.

I-95 Corridor Coalition

In the early 1990’s, the I-95 Corridor Coalition solidified informal interagency working relationships that had originally come together to provide a cooperative approach toward solving traffic problems in the Northeast, primarily metropolitan New York City, Northern New Jersey and Southern Connecticut. The desire was to effectively leverage current and future resources to implement electronic technology (ITS) to speed travel along the corridor.

Late in 1992, the U.S. Department of Transportation defined priority corridors as having, “traffic density above the national average, severe or extreme ozone non-attainment, a variety of transportation facilities and an inability to significantly expand capacity.” Soon afterward, the FHWA designated the I95 Corridor as eligible to receive Priority Corridor funding and the I95 Coalition was able to capitalize on this unique opportunity to apply ITS across jurisdictional boundaries.

The initial members consisted of DOT’s from 12 states and representatives from FHWA, however, as interest in the Coalition grew, it became necessary to stratify membership to maintain the mission of the Coalition. An Executive Board, Steering Committee and Program Track Committees, in addition to full time professional staff, carry out the Coalition objectives. Each year a program of projects is developed by the Coalition, with a project budget, responsibility and accountability, assigned to the committees within their defined program areas.

The Coalition’s vision is for a transportation network in the corridor that will be safe, efficient, seamless, intermodal and will support economic growth in an environmentally responsive manner.

Latin America Trade and Transportation Study (LATTS)

Great economic progress has been achieved throughout Latin America in recent times. Monetary reform, great political stability and various social and economic reforms have created a climate in which international trade has increased significantly.

The southeastern states are a principal gateway for trade between the U.S. and Latin America. Recognizing that increased trade provides an opportunity for economic growth in the Southeast and that the transportation system can facilitate or inhibit trade flows, a coalition of 14 states/commonwealths undertook LATTS. The coalition is comprised of the 12 members of SASHTO plus Texas and Puerto Rico, in cooperation with the Federal Highway Administration (FHWA).

LATTS investigated trade opportunities, identified how the economies of the Alliance could benefit through job creation and economic growth, evaluated the ability of the existing transportation infrastructure (ports, airports, railroads and highways) to accommodate increased demands associated with growth in Latin American trade, and developed a series of strategies to guide future development of the transportation system.

Executive Summary

The Southeastern Transportation Alliance currently is considering further activities to help position Alliance members to realize the opportunities identified by LATTTS.

LATTTS was a pooled-fund study.

I-69 (Corridor 18)

This proposed facility includes the portion of I-69 currently existing between the Canadian border (north of Detroit) to Indianapolis, with a proposed upgraded/new facility extending to the Mexican border within the Lower Rio Grande Valley, and passing through Evansville, Memphis, Shreveport-Bossier City and Houston.

The proposed route passes through eight states, all of which have representation on the I-69 Steering Committee. FHWA is a non-voting member of the Steering Committee.

The I-69 Steering Committee has undertaken three studies: the Feasibility Study, the Special Issues Study and the Special Environmental Study. Currently, individual states are undertaking preliminary engineering and design work on portions of the route.

The I-69 Steering Committee has sought and obtained federal funding which has assisted activities undertaken to-date. The efforts of the Steering Committee have been significantly enhanced by the I-69 Mid-Continent Highway Coalition, Inc., a well-organized and highly active group which supports the I-69 project.

Joint Working Committee/Binational Transportation Planning Study

The U.S. and Mexico recognized the need for a well-coordinated transportation planning process along the border and entered into a "Memorandum of Understanding" which created the Joint Working Committee (JWC). The JWC includes representatives of the two national transportation agencies and each of the four U.S. and six Mexican border states, as well as U.S. and Mexican representatives to the U.S.-Mexico Bilateral Committee on Bridges and Border Crossings.

The JWC initially provided oversight for the Binational Planning and Programming Study. Following the study, the JWC has transitioned into an entity responsible for the continuing planning and programming process for the land transportation system serving the U.S.-Mexico border area.

The JWC does not make decisions or direct activities that currently are performed by U.S. and Mexican federal, state and local government agencies. Instead, its functions are to facilitate communications among these groups, help coordinate planning and programming activities, and act as a forum for discussing binational border area transportation issues.

International Mobility and Trade Corridor (IMTC) Project

The IMTC is a binational public-private partnership that provides a forum and a process for addressing cross border mobility issues in the Cascade Gateway (i.e., the four ports-of-entry between Whatcom County, Washington and lower mainland British Columbia). IMTC has its origins in regional concerns regarding cross-border mobility. In part, it is an outgrowth of a draft plan prepared by the U.S. General Service Administration titled “Western Washington/Lower British Columbia Border Comprehensive Plan.” Also, IMTC reflects the opportunities to support binational transportation such as the TEA-21 Coordinated Border Infrastructure (CBI) Program.

IMTC is a coalition of U.S. and Canadian business and government entities that includes over 80 organizations. It is structured in three groups. The Steering Committee is the main working group while the Core Group is the decision-making body. The General Assembly constitutes the broad based constituency of stakeholders. The Whatcom Counsel of Governments is the lead agency and dedicated staff to support IMTC on an ongoing basis.

IMTC has developed project applications for the CBI Program and has received funding for three projects. One provided five years of funding for coordination of the IMTC project.

Midwest Regional Rail Initiative

The Midwest Regional Rail Initiative (MWRRRI) began in 1996, sponsored by Amtrak, the Federal Railway Administration and nine state transportation agencies. The mission of the initiative is to meet future travel needs through significant improvements to the level and quality of regional passenger rail service throughout the Midwest. The plan is to connect population centers using 3,000 miles of existing freight and commuter rail lines in a nine state region that includes Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, and Wisconsin. By encompassing a multistate region, the Midwest Regional Rail System (MWRRS) is economically feasible due to higher equipment utilization, more efficient crew and employee utilization, and multistate rolling stock procurement.

One of the underlying reasons for the success of the MWRRI is the active involvement of the nine state agencies as well as the connection with AASHTO's Mississippi Valley Conference Board of Directors. The primary challenges related to implementation of the Midwest Regional Rail System are financing for both capital investments and initial operating expenses, as well as construction scheduling. The joint efforts of the nine states and Amtrak continue to make headlines and raise public awareness of high-speed rail as an alternative to congested airports and roads.

Appalachian Regional Commission

The Appalachian Regional Commission (ARC) is a regional economic development agency representing a unique partnership of federal, state, and local government. Established by an act of Congress in 1965, the Commission is composed of the governors of the 13 Appalachian states and a federal co-chairman, who is appointed by the President. Grassroots participation is provided through multicounty local development districts (LDD's) with boards made up of elected officials, businesspeople and other local leaders. Each year Congress appropriates funds which ARC allocates among its member states. The Appalachian governors, consulting with local development districts, draw up annual Appalachian development plans and select for ARC approval projects to implement. The broad objective of these programs is to support development of Appalachia's human and community infrastructure to provide a climate for the growth in business and industry that will create jobs. ARC-funded programs include construction of an interstate-quality highway system, education and job training, health care, water and sewer systems, housing, and other essentials of comprehensive economic development.

LESSONS LEARNED

The case studies presented herein discuss the real issues, challenges and opportunities experienced by these seven alliances. From these case studies, the following are lessons learned regarding the characteristics of such alliances and their approach that have been distilled from this review.

- ▶ Multijurisdiction coalitions all have their origins in a transportation need which transcend jurisdictional boundaries and which cannot be addressed easily using traditional approaches.

- ▶ In recognition of such needs, some agency typically takes the initiative regarding organizing activities such as recruitment of members, solicitation of finance, etc.
 - Often, the same organization eventually becomes the lead administrative agency for contracted services and/or other activities.

- ▶ Formation of such alliances is facilitated when the participants have had previous experience working in another organizational setup (such as SASHTO and the Latin American Trade and Transportation Study).
 - The working relationship established through the pre-existing organization also facilitates functioning of the newly created alliance.

- ▶ Coalitions of this nature typically act as forums and do not have a controlling or binding authority regarding matters addressed by the coalition. Coalitions tend to operate on a volunteer basis in the pursuit of shared interests. Participants do not relinquish any of their prerogatives with regard to findings and decisions of the Alliance. Members are free to act on their own accord if they chose to do so.
 - When participants defer to coalition “decisions” which they have difficulty supporting, it often is because they see it to be in their best overall interest to do so.

- ▶ The degree of formality involved can vary significantly, depending upon the nature of an Alliance’s mission and membership. A formal Memorandum of Understanding can set out basic aspects while a Terms of Reference, which is not a legal document, can symbolize the willingness of signers to participate.

- ▶ For Alliance members, participation involves funding of staff involvement and, in most cases, travel expenses for meeting attendance.

- ▶ Restrictive out-of-state travel policies of a state (or other alliance member) can impact negatively on meeting attendance.
 - Meeting attendance typically is enhanced if travel expenses are defrayed directly by project funds.

- ▶ The level of commitment by a coalition member typically is influenced by the benefits which the member anticipates.
 - Therefore, a win-win outcome is most important, even if one member is perceived to be a bigger winner than another member.
 - Compromises are required to achieve a win-win outcome and to avoid creating problems for partners participating in a coalition.

- ▶ One of the most important benefits that derives from such alliances is that members tend to work together better as they learn to understand the unique circumstances of alliance partners. Each partner usually operates within its own unique demographic, social, cultural, political and economic environment and this influences the level of support it can provide for various alliance proposals, decisions, etc.
 - A side benefit is that the improved understanding and communication between alliance members often extends to matters other than those addressed by the coalition itself.

- ▶ Out of respect for the unique circumstances of each alliance member, major decisions often are resolved outside of formal meetings, and such decisions are then formally ratified at the meetings themselves. Coalitions tend to find a consensus while avoiding a contentious vote.

- ▶ It is helpful to a public sector coalition to have the support of a well-organized and active private sector advocacy group which has similar objectives.

- ▶ A proactive outreach program to generate public participation can have both beneficial and detrimental impacts on achievement of a coalition's mission.

- ▶ Coalitions of this type often must retain consultant services to undertake studies and/or other activities because they involve staff resource commitments which cannot be made by alliance members because of staff work loads, etc.

- ▶ Significant benefits can be achieved using the pooled fund approach. By pooling resources, it often is possible to achieve more than would be achieved if each alliance member acted independently.

- ▶ Coalitions tend to have more influence on a collective basis than if each member acted on its own.
 - This is especially true when seeking federal discretionary funds since U.S. DOT needs to know that all parties are essentially supportive of a proposal.
- ▶ Partly because it is a source of funding, the federal government typically plays a role in these alliances that is disproportionate to its representation in the alliance's organizational structure.
- ▶ Funding for coalition activities and implementation of its proposals can be the deciding factor in the success of a coalition. Success in obtaining funds (or a high potential of securing funding) greatly influences the level of commitment by the members of these groups.
 - Coalitions typically either seek federal discretionary or specially earmarked funds or they leverage their own resources with federal funds they might otherwise not obtain.
- ▶ By their very nature (e.g. the need to confer with multiple organizations), coalitions experience somewhat lengthy timetables for decisions and actions.
 - Simply because of logistics, the larger the membership, the more extended the timeline can be for things to move forward.
- ▶ Nevertheless, there are significant benefits to be derived by coalitions with broad participation. Breadth of participation can facilitate and expedite the identification of potential conflicts of interest for which solutions are needed to achieve usable and implementable proposals.

VALUE OF COALITIONS

By their very nature, coalitions differ in their composition, purpose, process, etc. Accordingly, the accomplishments of coalitions tend to vary significantly. For some, coordination of participating organizations is the principal objective. For others, securing funds and implementing projects is the principal objective.

The seven case studies reviewed in this White Paper all share a common characteristic. Specifically, they have achieved success regarding the objectives for which they were established.

As models of successful coalitions, it is informative to consider what might have been achieved had the coalitions not been formed.

- ▶ I-95 Corridor Coalition – The implementation of compatible electronic toll devices and other technology-based enhancements to travel through the region would not have happened as seamlessly without the I-95 coalition. The coalition enabled member states to have a deeper pool of resources in both funding and information.
- ▶ Without the LATTIS coalition, it is safe to say that there would be little information about the potential magnitude of future Latin American trade and its impact on the transportation systems of the 14 Alliance members. Each member would not be able to plan for the large increase in international trade.
- ▶ Without the I-69 Steering Committee, there would have been no coordinated approach to determining a potential route location. Further, there likely would have been no information regarding the justification for a multistate route that stretches from the Canadian to the Mexican border. Without this information, it would have been difficult to obtain funding that has led to the current preliminary engineering and design activities for this facility.
- ▶ If the Binational Border Transportation Study had not been conducted and if the Joint Working Committee had not been established, there would be considerable difficulties in coordinating transportation programs along the U.S.-Mexican border. Further, there would be lessened ability to focus attention on border issues and to find solutions for them.
- ▶ In a similar vein, coordination of efforts to relieve congestion in the Cascade Gateway would have been more difficult. It is possible that some of the projects undertaken through the “sponsorship” of the International Mobility and Trade Corridor Project, would not have been undertaken because, without IMTC there would be no focused effort regarding these projects.
- ▶ The benefits of high-speed rail as an alternative to congested airports and roads would not have been called to public attention without the Midwest Regional Rail Initiative.

- ▶ Without the Appalachian Regional Commission's Distressed Counties Program, Appalachia's 406 counties would not have reflected a reduction in poverty, a rise in per capita income and a reduction in emigration. The establishment of Local Development Districts (LLD's) which were created to build the local foundation needed to direct development would not exist without the ARC. In addition, without the ARC, an interstate-quality highway system would be a long time coming to Appalachia. Finally, without the ARC, there would not be such a good existing example for others to follow for multijurisdictional planning.

THE THREE PHASES OF A COALITION

Coalitions go through a series of developmental phases and understanding these phases, and the challenges faced at each level may be useful to the success of future coalitions. There are three basic phases to any coalition; Phase 1 is the process of actually building the coalition. Phase 2 is centered around a study or series of studies and research efforts. Phase 3 is the implementation and or coordination phase.

Phase 1: Building the Coalition

Most coalitions start off with an individual (person or an organization) who identifies a specific issue or idea and realizes that the issue or idea affects a broader group of individuals or organizations. The individual shares the idea or issue with others, in effect becoming the champion of the idea or issue. The champion organizes meetings among similarly interested parties (or potentially interested parties) and eventually a coalition is formed. The coalition sets a series of visions, goals, and objectives and outlines a plan to learn more about the issue.

Phase 2: Study/Research Phase

Once the coalition is formed, the members typically identify and secure funding to pay for a study or research effort. The work effort focuses on the initial mission that brought the coalition together. The purpose typically is to: evaluate the issues; determine the extent of the impact on the coalition and whether it needs to be resolved/mitigated; identify a solution or set of solutions; estimate the cost of such solutions; and, define an implementation plan or strategy.

Phase 3: Implementation/Coordination

The third phase is the actual implementation/coordination of proposals. Of the seven coalitions studied in this White Paper, all have successfully developed through Phases 1 and 2. In other words, all have been successful in the sense that they formed an alliance, and studied an issue. Phase 3 is where there is some variance in approach and success among the coalitions. Success in Phase 3 is based primarily on the coalition's ability to build a strong institutional framework to implement and coordinate coalition efforts. The stronger the institutional structure of the coalition—the greater its likelihood of actually implementing recommendations. The strength of the institution is largely a function of the level of commitment shown by its members. Coalitions operate in the pursuit of shared interests and members do not relinquish their individual prerogatives with regard to coalition decisions. Therefore the level of members' commitment to the coalition (and its institutional clout) is largely dependent on success (or the perceived potential for success) at securing funding.

THE FUNDING DILEMMA

The level of resources needed grows with each phase to the point that the coalition itself cannot support the funding needs and has to reach outside for funding. The costs associated with Phase 1 are minimal (thousands of dollars) and are typically financed by the members (meetings are typically held in conjunction with other regular events - AASHTO, NGA, etc). Phase 2 costs are typically greater (ranging from hundreds of thousands to several million dollars) are funded through a variety of sources, including Federal grants (earmarks, discretionary or formula) and own funds (state money). Phase 3 is typically the implementation of big-ticket projects (hundreds of million of dollars and billions of dollars). For public funding requirements to be met by the members themselves, the coalition projects must compete with other funding needs confronting the members (including preservation of existing infrastructure and other committed capital projects). And for some coalitions, project needs would consume a significant proportion of funds available for construction of all member projects.

Hence, the success of most coalitions depends on the ability of the individual members to set priorities among their own projects (and to balance these priorities with the coalition's need) and on the ability of the coalition to secure external funding.

CONCLUSION

While the White Paper provides a body of research on multi-state/jurisdictional coalitions – how they form, operate, implement, etc. – it also provides clear insight into the issues that drive the future success of coalitions. It is evident that multi-state/jurisdictional coalitions are successful at tackling issues that reach beyond the ability and resources of the individual members. However, the continued success of this approach is largely dependent on the development of new and innovative funding mechanisms directed at multi-state/jurisdictional coalitions. The next reauthorization phase of the transportation bill is an opportunity for addressing this issue, specifically in building on the new directions brought on by the previous acts (ISTEA and TEA-21).

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THE I-95 CORRIDOR COALITION

BACKGROUND

Realizing that more concrete was not the answer, transportation agencies in the Northeast began looking toward technology, information sharing, and interagency coordination as ways to increase capacity of transportation networks. The Pennsylvania DOT Secretary, for example, put together an initiative entitled the Coalition to Advance Transportation Science and Technology in the Northeast. In another example, an informal organization entitled TRANSCOM was formed to address traffic congestion problems in the New York City area. TRANSCOM's role was to coordinate information sharing among state, city, and local agencies with regard to traffic problems in the metropolitan New York City, Northern New Jersey and Southern Connecticut areas.

Another cooperative effort that started in the early 1990's was known as the Interagency Group (IAG). State transportation agencies and authorities in the metropolitan New York City area recognized that implementation of electronic toll devices to speed travel through the region would provide benefit to the travelers only if the technology was compatible and if the operation was coordinated among the various toll-collecting agencies. The IAG planned that implementation.

In January 1992, after the passage of the Intermodal Transportation Efficiency Act of 1991 (ISTEA), the Federal Highway Administration (FHWA) met with a small working group of the Northeast Corridor states to explore the possibility of a cooperative approach. The desire was to effectively leverage the new provisions for Intelligent Vehicle Highway Systems (IVHS) contained in the federal legislation in conjunction with the current and future efforts and resources of each agency already working independently along the Corridor. In late 1994, the name IVHS was changed to Intelligent Transportation Systems (ITS). This became the nationally recognized term for technology-based approaches to the operation and management of transportation systems.

Late in 1992, the U.S. Department of Transportation included a "Priority Corridor" Program in its IVHS strategic plan that was submitted to Congress. Priority Corridors are defined as having "traffic density above the national average, severe or extreme ozone non-attainment, a variety of transportation facilities, and an inability to significantly expand capacity." The FHWA was prepared to designate the I-95 Corridor eligible to receive Priority

Corridor funding when a consensus was reached among the agencies on system planning, funding and deployment. Informal relationships that had begun in the Northeast were solidified into the I-95 Corridor Coalition. The agencies moved quickly to establish the Coalition's identity and organization, and to begin the planning process for this unique opportunity to apply ITS across jurisdictional boundaries. Soon afterward, the allocation of federal funds was initiated.

ORGANIZATIONAL FEATURES

The I-95 Corridor Coalition was originally comprised of members, guided by an Executive Board and Steering Committee, with actual tasks performed by working groups, full time staff, and consultants. This structure was reevaluated in 1997 resulting in the conversion of working groups to program track committees and expanding the roles and number of full time staff.

Membership

The initial members of the I-95 Corridor Coalition consisted of the Departments of Transportation for 12 states ranging from Virginia to Maine and the District of Columbia, along with major transportation authorities in those states and representatives of the US Department of Transportation's Federal Highway Administration (FHWA). Many of the authorities are toll-road agencies and some are bi-State organizations that include tunnel, bridge, and port operations. AMTRAK was also a founding participant in the Coalition. Other affiliated transportation associations or interest groups that were early partners in the activities of the Coalition include the American Trucking Association Foundation, TRANSCOM, ITS America, and the National Private Truck Council. Over time, additional members were added including the South Jersey Transportation Authority, New Jersey Transit, the Metropolitan Transportation Authority of New York, and the International Bridge, Tunnel and Turnpike Association.

As interest in the Coalition grew, it became necessary to develop membership definitions as a way of responding positively to interest in participation, while still maintaining a structure that would support the mission of the Coalition. Full membership is defined as any organization owning or operating a major regional transportation system or any agency of the USDOT. Owning or operating a major local system qualifies an agency for affiliate membership, and transportation-related associations fall into the affiliate category as well. Interested individuals, vendors, consulting firms, or organizations that do not meet the affiliate criteria are considered

“Friends of the I-95 Corridor Coalition” and receive regular newsletters, procurement notices, and program updates.

Executive Board

An Executive Board was formed to lead the I-95 Corridor Coalition. It initially consisted of the Chief Executive of each member organization. Their role was to give overall direction to the program, and to approve the annual business plan for the federal funds. The membership of the Executive Board has continued to be the Chief Executive Officer or a designee from each full member agency. They are the policy-making body for the Coalition. They provide policy guidance and approve the five-year business plan and annual program. These leaders look at the implication of long-term trends and frame the mission and goals accordingly, reviewing and approving a strategic plan update on a regular basis. The Executive Board must approve any restructuring, creation, or initial appointment of new staff positions. Votes are only taken on specific actions; otherwise, consensus is used.

Steering Committee

The Steering Committee initially consisted of both policy and technical staff from each of the member agencies. This committee provided the reality-check and guidance for the content of the program, the needs of the members, and the focus on coordination, cooperation, and communication as the “culture” of the Coalition. That role has continued, and currently deals with all aspects of the Coalition’s activities including technical, institutional, organizational, programming, funding, policy, and internal/ external relations. The Steering Committee also operates by consensus to the extent possible. If votes are needed to record a specific action, each full member agency has one vote.

Working Groups and Program Track Committees

Initially the core structure for developing and guiding project work and assuring input on functional, technical, and operating issues was voluntary involvement by the agencies on various committees called working groups. As the Coalition developed, more agencies recognized that I-95 Corridor Coalition activities were integral to the individual agency’s responsibilities, but local priorities still came first. Since nearly all activities require meetings, agency travel budgets are a constraint to participation as well.

The original Steering Committee of the Coalition established four Working Groups to address specific issues. Ad hoc Technical Review Committees were assigned to each individually funded project to supplement the above four standing groups. These technical committees guided the work of consultants who had been hired to conduct various projects defined in the business plan.

In 1997, as part of the discussion of the approach to the next five-year business plan, a thorough review of the effectiveness of the existing working group structure was made. The original organizational structure of working groups had been set up to respond to broad, cross-cutting issues, without a direct link to the business plan. It became evident that the effectiveness of a working group varied according to how much impact it could have convening as a corridor-wide committee. The working groups were:

Highway Operations Group - To deal with day-to-day operational issues – This group evolved into a very strong and active group of traffic operations and law enforcement personnel throughout the Corridor who wanted to use their time and effort to immediately improve the operations in their jurisdictions. Early project work had resulted in the development of diversion plans within specific regions and in implementing training in incident management. It had become apparent that the most effective level of work for some activities of this group was at a regional level, not at a Corridor-wide basis. Four overlapping regional groups spun off, developing their own meeting schedule, agendas, and leadership, with continued coordination among the groups and support by the Coalition's program. Each regional operations group continues to expand local outreach to emergency service providers, environmental clean-up agencies, and local enforcement agencies; perform post-incident analyses to improve future operations; and share equipment and information to support regional incident management.

Functional Requirements and Technology Group - To define the Corridor's technical needs and the appropriate short and long-term technology for those requirements - This group had a reduced role once individual projects were past the initial stage, since technical issues were being dealt with at the project level. It became more difficult to develop a meaningful agenda that resulted in maximum participation. They recognized that sharing general ITS technical problems and solutions, or advocating for technical standards that would enable future interoperability, could be better accomplished in other venues.

Private/Public Sector Partnership Group - To address issues concerning how these parties can best work together and their respective roles - This working group deals with issues related to private/public partnerships. It held a successful forum early at the start of the Coalition to

identify barriers and opportunities for using partnerships when implementing ITS projects in the Corridor. In addition, a one-day private sector briefing on existing and planned projects was held. Similar to the technical working group's realization, this group found that it did not have a logical or practical role in taking issues further as a standing committee. Individual agencies were wrestling with their own agenda for public/private partnerships, constrained by their State laws and their own policies. The Coalition was not an independent legal organization that could enter into partnerships itself; so negotiating business arrangements was not a role the group could assume. After its initial successes in education and awareness, the partnership group did not regularly meet, and ultimately, the members were added to the Budget and Policy Group.

Budget and Policy Group - To address funding, programming, institutional issues and related administrative policy matters - Much detail was involved in setting up the Federal funds allocated to the Coalition as well as developing the budgets and providing the day-to-day guidance for administering the program. The Budget and Policy Group remained a very active and important committee with consistent, active participation from the FHWA, the leaders of the Steering Committee, and the agency member volunteers. This dedicated group was a strong force in the development of plans, priorities, and budgets.

Commercial Vehicle Operations Group – Not one of the original working groups - In 1996, this new group was formed as a direct result of recommendations from one of the early study projects. The Executive Board recognized that this was necessary because of the breadth and complexity of the problems and the expanded interest groups who had a stake in their solutions. Many new faces from state law enforcement, regulatory affairs, revenue administration, and motor vehicle operations, along with the trucking industry became a vital part of a coalition that had been transportation engineering and operations dominated up to that time. This new group was an entirely new “coalition within a coalition” and that evolution was not always easy.

The 1998 Business Plan identified various “program tracks” as the focus for Coalition activity, rather than the original working groups. Committees responsible for one or more tracks were established as the core structure through which the Coalition's program would be implemented. Their role is to guide the Coalition activity occurring in their area of ITS program emphasis and expertise. Once their proposed projects are approved and included in an annual work program adopted by the Coalition, the project budgets are assigned and a level of project autonomy – and the responsibility and accountability – is given to the committees within their defined program areas. Nonmembers with a specific interest in the subject area can participate in the Program Track Committees.

The tracks were selected because of their relevance to the member agencies' ITS programs, applicability to the Coalition's strategic goals, and their potential to provide improved service to Corridor travelers. Due to the complexity of their programs, two tracks formed ad hoc task forces to address specific functional areas within their scope. The Coalition currently has six program tracks:

1. Program Management (This committee serves a dual role of overseeing the budget, policy, and strategic planning functions, and serves as the program committee for cross-cutting issues of support to member agencies, the Coalition, and emerging ITS issues.) Five Task Forces report to this Committee:
 - a. Information Exchange Network
 - b. Training
 - c. Outreach
 - d. Standards
 - e. Clearinghouse
2. Interregional Multimodal Travel Information
3. Coordinated Incident Management
 - a. New England region
 - b. New York region
 - c. Delaware Valley region
 - d. Potomac region
4. Commercial Vehicle Operations
 - a. Safety
 - b. Credentialing
 - c. Carrier Operations
5. Intermodal Transfer of People and Goods
6. Electronic Payment Services

The former Budget and Policy Group's responsibilities became part of the new Program Management Committee's role. The original Highway Operations Group became the Coordinated Incident Management Committee (supplemented by the regional activity), and the Commercial Vehicle Operations Group became the Program Track Committee for that same function.

Full Time Staff

Soon after the Coalition was organized, it became obvious that there was a need for full-time attention to details that were required to move the Coalition agenda forward. The position of Administrative Manager was created, and an individual from one of the participating agencies was selected to fill that role. To move ahead with the Coalition program, federal funds had to be awarded and set up through administrative processes used by the state transportation agencies that had volunteered to serve as the Coalition's agents for contracting. A procurement process followed to obtain consultant services for the completion of projects outlined by the business plan. The Administrative Manager was responsible for getting those administrative tasks accomplished by the various Federal or State agency partners. Additional tasks quickly evolved and this position became a vital part of the support for the Budget and Policy Working Group, Steering Committee, and Executive Board. In 1996 the Administrative Manager position was elevated to Executive Director. In addition to all the administrative tasks, the Executive Director became responsible for managing the day-to-day-implementation of the Coalition Business Plan and served as the internal and external focus for communicating the policies, processes, and structure of the Coalition.

Initially, two other full-time positions were identified as necessities in order to achieve the goals of the Coalition. These were a Technical Coordinator and an Operations Coordinator. In both cases, individuals with the appropriate background were identified and released from their regular duties as "on loan" by their agencies to fulfill these new roles. Each had the responsibility as liaison to the member agencies on projects relevant to technical or operational issues, respectively. Their roles were both proactive and reactive; to recognize when information or assistance from one agency could help another; and to be involved with projects specific to their backgrounds by ensuring that meeting agendas and project content were relevant to the agencies. This involved traveling and meeting with authorities and operating agencies, and talking to their staff as a means of bringing back ideas and suggestions.

In 1998 the position of Contract Manager was created to consolidate the oversight of procurement, contract administration, and fund administration, bringing the total number of filled

positions to four. This new position became the liaison among the Coalition, FHWA, contractors, and Coalition member agencies and staff for all administrative operations. This allowed the Executive Director to concentrate more on strategic planning, communication with the Executives and their agencies, and outreach to the ever-expanding number of stakeholders in the Coalition's program

Consultant Support

The first procurement initiated by the Coalition was for a support consultant team that was knowledgeable about ITS and could assist in developing an initial business plan. A competitive proposal process in 1993 resulted in a multiyear contract with a consultant joint venture that had formed to respond to the Coalition's solicitation. The contract was administered through the State of Delaware's Turnpike Authority. This joint venture provided logistical, program development, and executive support for the early stages of the Coalition, and continued program support as defined by the Coalition through early 1998.

The consultant support role was redefined for the second competitive process and included an on-call/task-order type of work in addition to the core logistical and program support. This process was administered through the Connecticut Department of Transportation. Some level of consultant support to ongoing operations of the Coalition will always be required under the existing structure. To ensure the maximum availability of funds for direct programs, the Coalition has increased its focus on managing the proportion of its investment used for consultant support by improving systems to monitor, track, and contain those costs.

STUDY PURPOSE

The mission of the I-95 Corridor Coalition is cooperation among states and various transportation agencies to improve transportation services and operations in the Northeast Corridor through coordinated implementation of advanced technology. The Coalition's vision is for a transportation network in the corridor that will be safe, efficient, seamless, intermodal and will support economic growth in an environmentally responsive manner.

PUBLIC OUTREACH

One of the most important functions of the Coalition is to provide forums where member agency personnel and the general public can share information and keep informed of the latest developments. Topics such as public education and staff recruitment and retention have been

addressed in past forums. In September 2000, the official kick-off occurred for The Coalition Connection (www.I95Coalition.org), a web portal for online information exchange. It includes links to existing traveler information sites within the corridor, and provides a variety of ways to research and share ITS-related information among agencies. The Coalition provided the “seed” funding to establish the Consortium for ITS Training and Education (CITE), a consortium of over 40 partners throughout the world joined together to develop and deliver ITS training and education to public agency personnel over the Internet.

PROGRAM ACCOMPLISHMENTS

As a result of the investment of Federal ITS Program funds, State funds, and the volunteer efforts of personnel representing transportation service providers in the Northeast United States, the Coalition has been instrumental in the following projects that have directly benefited travelers and transportation agency personnel throughout the region:

The Information Exchange Network (IEN) - This is a wide area network connecting transportation management centers throughout the region. When a major incident occurs, information is entered into the system and automatically shared with operators in other centers. Operators can then take appropriate action to inform travelers approaching the incident by message posting on dynamic message signs and highway advisory radio systems.

Traveler Information Dissemination - The Coalition is supporting the institution of traveler information systems in regions throughout the Corridor. These regions include urban areas such as Baltimore, rural areas in the Shenandoah Valley of Virginia, and the tri-state area of Maine, New Hampshire, and Vermont in the New England region. The Coalition has also embarked upon development of an intermodal Traveler Information System that, when completed, will allow travelers to obtain estimated travel time and fare information on any trip, on any mode, or combination of modes between major origins and destinations within the Corridor. The Coalition publishes a biannual Traveler Alert Map that displays seasonal information on construction activity, upcoming events, closures and bottlenecks throughout the Northeast.

Improved Operations - The Coalition is supporting a number of smaller efforts involving multiple operating agencies and jurisdictions designed to improve operations. Examples include planning for the replacement of the Woodrow Wilson Bridge (a critical link along I-95 connecting Maryland and Virginia) and expansion of the number of transportation and emergency service provider agencies in the New York metropolitan region that are able to communicate with each other over common radio systems.

Commercial Vehicle Safety and Productivity - The Coalition is contributing to improving commercial vehicle safety and reducing the cost of commercial vehicle travel through a project aimed at developing a regional oversize/overweight vehicle permitting system, and one project aimed at developing an efficient way for qualified operators to obtain state credentials.

Electronic Payment - The Coalition is supporting efforts to develop a convenient and standard way for people to pay for travel and other services electronically. Such a system would accommodate electronic toll payments as well as payments on rail and transit modes of transportation using proximity and smart cards.

CHALLENGES

Structure

Discussions about developing a legal organizational structure have been ongoing since the Coalition was formed. Usually, it was the administrative burdens and issues of contracting and hiring that stimulated the conversation. At one point, there was thought that the Coalition could be a regional partner with the private sector in some initiatives, which would have required a legal status. In 1995, the Steering Committee even directed the development of a white paper that explored various alternatives for nonprofit status; however, no change was made. What brought the discussion back to basics was the focusing on core values of coordination and cooperation that had helped to form the Coalition from the beginning. Was a different structure needed to accomplish the desired outcomes, or could a new structure possibly change those things that made the Coalition successful? The discussions generally ended with the conclusions that despite the administrative headaches, “If it isn’t broken, don’t fix it.”

Program Development And Funding

The challenge for developing a responsive program has remained the same since the beginning of the Coalition. The twelve-state area is a corridor of many regions, many modes, and many needs. Progress is at different stages across the Corridor, and it remains a challenge to develop a program that has something of value for everyone and is consistent with national goals. Program assessment and regular strategic planning that is focused on outcomes are critical to accomplish this, along with continued reassessment and adjustment of structure and processes. Setting priorities and providing guidance at the executive level must continue.

Funding remains a constant challenge. The Coalition program has paralleled the National ITS program in many ways and will continue to do so. Modest amounts of money have gone a long way, and continued Federal support makes sense in terms of progress. The Coalition's Chairman has characterized the organization as the glue that binds together Northeast transportation leaders as they use new technological approaches to improve mobility and safety within the regions. The primer that has allowed that to happen is the federal support of the programs.

Keeping Up With Technology Change

It is likely that if the technology available today had been at that same stage in 1992, the Coalition and its member agencies would have made different decisions about their programs. That will always be the case with technology advancement, and is one of the reasons that the Coalition has an ongoing effort focused on emerging issues. The impact of Internet and wireless communication on how the public seeks information has changed the business approach to providing traveler information. Staying up with the technology curve is critical for the Coalition to have a viable program for its members.

OPPORTUNITIES

The Coalition today is a mature and respected organization, with tangible accomplishments to its credit and a focus on effective and efficient transportation throughout the Corridor. This is accomplished with a dedicated staff, member agency volunteers, FHWA support and expertise from consultants and contractors. The Coalition continues to bring to the Corridor and nation a wealth of ITS talent and experience to advance the use and coordination of technology and operations for "seamless" Corridor travel.

By focusing on outcomes rather than outputs, the success of Coalition activities will be increasingly measured by their impact on the Corridor's transportation system's effectiveness. The Coalition will continue to sponsor evaluations of all its major activities that focus on assessing the benefits of potential improvements to regional passenger and freight movements and the regional economy.

The Coalition has strengthened its commitment and strategic focus to include intermodal efforts. The near-term focus will be in the areas of traveler information, commercial vehicle safety and productivity, and electronic payment. Coalition activities will also engage a broader base of both public and private partners and bring them together in an increased spirit of

cooperation. These partners range from law enforcement agencies, some of which are already participating in Coalition activities, to new partners in areas such as economic development, regional and local transportation, emergency services, and defense logistics. An important manifestation of this will be increasing emphasis on working cooperatively with organizations involved in moving passengers in non-highway modes, and in moving freight through the Corridor.

New initiatives such as the Integrated Systems for Corridor Operations and Management are critical to the future of regional and corridor transportation management. This management tool will provide web-accessible information on a geographic database for analyzing corridor-scale travel patterns and travel times. This system will provide analytical tools for member agencies to support their investment decisions. It will aid them to think regionally, and then act locally.

LATIN AMERICAN TRADE AND TRANSPORTATION STUDY

The Southeastern Transportation Alliance is an organization of the state transportation agencies in the states/commonwealths of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, Texas, Virginia and West Virginia, in cooperation with the Federal Highway Administration.

The Alliance is an informal organization between these partners to provide a means of financing and conducting the Latin American Trade and Transportation Study (LATTTS).

BACKGROUND

In the past decade or so, great economic progress has been achieved throughout Latin America. Monetary reform, greater political stability and various social and economic reforms have created a climate in which international trade has increased significantly.

There are many indications that Latin America (defined by the Alliance as all western hemisphere nations south of the United States) may be on a prosperity threshold. Restrictive and discriminatory import duties are declining, multilateral trade agreements are being implemented and there are discussions and activities in support of a hemisphere-wide free trade agreement. Under these conditions, further increases in trade between the United States and Latin America are promising.

At the annual meeting of SASHTO in August 1995, the Florida Lt. Governor spoke about these promising indicators. He urged the members of SASHTO to prepare the transportation system to accommodate the expected growth in trade with Latin America. Because of the geographical relationship of the SASHTO states with Latin America, much of the trade with Latin American gateways (i.e., enters or leaves the United States) through the southeastern states.

Dr. Robert L. Robinson, then Executive Director of the Mississippi DOT, recognized the need for positive, well planned and decisive actions if these opportunities were to be exploited fully. He also had an appreciation for the challenges which were confronted by the western U.S. states when the Pacific Rim economies began to expand in the recent past. Following discussions with Mr. Leon Larson, then FHWA Region 4 Administrator, a special meeting of the SASHTO Board of Directors was held in May 1996. All members were represented by their

Chief Administrative Officer or their deputy. Mr. Rodney Slater, then FHWA Administrator, also attended as did other FHWA and state transportation officials. Discussions centered on the need to have information that would help the states prepare for the expected growth in trade. At another special meeting of the SASHTO Board of Directors in June 1996, each state made a financial commitment of \$100,000 each and the FHWA committed \$200,000 (later increased to \$400,000). The FHWA Pooled Fund system was selected as the funding mechanism. All states committed State Planning and Research (SPR) funds except Kentucky which committed state funds.

In recognition of its prominent role as a lead transportation gateway for trade with Mexico, Texas was invited to join the Alliance. They accepted and committed SPR funds in support of the undertaking.

In December 1997, the Commonwealth of Puerto Rico requested to join the Alliance. They committed SPR funds and became a member of the Alliance in February 1998. Puerto Rico has found that the association with southeastern states is beneficial, so much so that Puerto Rico requested and was granted membership in SASHTO at the 2000 Annual Meeting.

ORGANIZATIONAL FEATURES

The Mississippi DOT accepted the responsibility of lead state and has been the administrative agency for all contractual and similar activities.

Steering Committee

The Chief Administrative Officer of the respective state transportation agencies, along with the Federal Highway Administrator, constitutes the Steering Committee. This committee has active control of all decisions relating to LATTS. Steering Committee meetings are held in conjunction with SASHTO annual meetings and on other occasions.

The Steering Committee is chaired by the Executive Director of the Mississippi DOT in recognition of their lead state role.

Working Committee

This committee coordinates the technical elements of LATTS. Each state and the Federal Highway Administration have one representative on the Working Committee.

Additionally, in some cases, Alliance members have designated other representatives who participate in Working Committee activities as special alternates.

The Mississippi DOT provides the chair for the Working Committee. The Department also has furnished a study coordination team regarding various administrative, technical review and logistical activities.

Study Team

A team of consultants was hired to undertake the study itself and many of the outreach activities (discussed subsequently). For these purposes, a consultant selection committee was formed, a scope of work was developed, consultant proposals were reviewed, proposal presentations were held and a selection was made by the committee.

STUDY PURPOSES

The Southeastern Transportation Alliance was formed “... to assess infrastructure development required to capitalize on international trade stimulated by increased trade with Latin America.” The purpose of the Alliance in undertaking LATTTS was to enhance economic development in the Alliance States, collectively and individually, by taking advantage of the accelerating opportunities for trade with Latin America.

By exploiting these opportunities, this will increase economic production in the Alliance Region and provide more jobs, increased wage earnings and additional prosperity, for the Region’s people.

The study is assisting the Alliance in attaining its goal by accomplishing the following:

1. Investigating and identifying trade opportunities between the USA and other countries, with special emphasis on Latin America;
2. Identifying how the economies of the Alliance States could benefit if they are able to capture “their fair share” of this international trade;
3. Evaluating existing relevant transportation infrastructure and its ability to meet the increased demands associated with growth in Latin American trade; and

4. Developing strategies to optimize investments in the Region's ports, waterways, airports, railroads, major highway corridors, and intermodal facilities.

The trade information assembled, analyzed and forecast during the study were directly related to the transportation investment strategies that were a principal study product. The reasons are, first, that expanding foreign trade is related to increased domestic job opportunities; second, that growth in foreign trade, as well as rising domestic economic activity, increases the demands on transportation facilities; third, that changes to the transportation system can accommodate, facilitate or inhibit this increasing use; and fourth, that the partners in this study have both a common and individual stake in investing in transportation improvements to make the most of the opportunities arising from this situation.

PUBLIC OUTREACH

The Southeastern Transportation Alliance determined that a proactive public involvement process was to be conducted at all stages of the project; i.e., early and continuous involvement. This would ensure that there was public availability of study information and that there were ample opportunities for study inputs, comments and suggestions by the general public, major stakeholders, and affected public agencies.

The distribution of study newsletters on a periodic basis helped achieve these goals. Through these means, information about the study was disseminated. Also, a contact person was designated in each state who was available to receive inputs that interested parties might want to make to the Study Team.

A second means for sharing information and receiving comments, suggestions and information involved the use of the Internet. A LATTS web site was developed and maintained during the study. The web site was updated periodically with the latest information concerning the study.

The LATTS newsletters and website were intended to reach a wide audience. Additional outreach reports were undertaken regarding certain organizations whose missions are strongly aligned with the focus of LATTS. The special attention accorded targeted organizations was for purposes of taking into account the concerns of these interest groups and the issues they consider to be most pertinent to this scope of the LATTS project.

Despite the effort expanded in public outreach activities, the volume of responses was disappointing. There were few contacts as a result of the newsletters, the number of hits on the website was not great (and it's suspected that many were by study participants) and only a few casual responses were received as a result of the targeted contacts with interest groups.

STUDY FINDINGS

The study itself confirmed that the Southeastern Transportation Alliance was justified in believing that there's a high likelihood that trade will grow substantially by 2020 and that additional demands will be placed on the transportation system. The study findings include the following:

- ▶ There is a sustained pattern of growth in trade between Latin America and the United States. In recent times, the growth rate in trade has escalated above historical patterns.
- ▶ For a number of reasons, including its advantageous geographical relationship to Latin America, trade between the United States and Latin America tends to gateway in the Alliance Region (i.e., enter or leave the United States through the Region).
- ▶ "Base Case" forecasts indicate that the Latin American component of total international trade is expected to triple during this time span.
 - Under a "High Case" scenario, the volume of trade with Latin America through Southeast Alliance gateways is forecast to be more than 22 percent higher than the "Base Case" forecast for 2020.
 - The "Base Case" scenario will result in 1.39 million additional jobs, i.e., jobs that are created through increased trade with Latin America. Under the "High Case" growth scenario, there will be an additional 2.74 million jobs created in the Alliance Region which are attributable to increased trade with Latin America.
- ▶ A total of 42 waterports within the Alliance region were included in this LATTS Strategic Transportation System.
 - Needs to the Year 2020 for these ports total \$22 billion.

- Of this total, some 57% is attributable to Latin American trade flows. This reflects the importance of the Alliance Region's ports to trade with Latin America.

- ▶ The LATTs Strategic Transportation System included 48 airports.
 - Air cargo needs at these airports amount to \$3.3 billion.
 - Over 12 percent of this total is due to Latin American trade flows.
 - Latin American air cargo is highly concentrated at southern Florida gateways.

- ▶ Some 22,285 miles of railroads were included in the LATTs Strategic Transportation System.
 - Needs on the railroads are not a direct public sector responsibility despite the important roles they play in Latin American trade flows.

- ▶ The LATTs Strategic Transportation System includes 22,859 miles of mainline highways and 123 individual intermodal connectors.
 - Mainline highway needs total \$67 billion up to Year 2020.
 - Only 8 percent of these needs are directly attributable to trade with Latin America. Nevertheless, these highways play a significant role regarding these trade flows.

IMPLEMENTATION

Based upon LATTs findings, a series of strategies were formulated to guide future investment decisions. These strategies addressed the following matters:

- | | |
|------------------------------------------|--------------------------------------------|
| ▶ Utilization of existing infrastructure | ▶ Agile freight operations |
| ▶ Addition of physical infrastructure | ▶ Improved clearance processes at gateways |
| ▶ Increasing operating throughput | ▶ Attention to intermodal connections |
| ▶ Corridor approach to investing | ▶ Encouragement of technologies |

- ▶ Information integration
- ▶ Improved institutional relationships
- ▶ ITS applications
- ▶ Partnerships
- ▶ Increased public awareness
- ▶ Improved freight profile

The LATTs Steering and Working Committees are meeting May 29, 30 and 31, 2001 to consider future implementation steps. The results of this meeting were not available at the time of this writing but they will be available at the time of the upcoming Forum.

CHALLENGES

While there is a great deal of support and enthusiasm among Alliance members concerning the study, its findings, and the opportunities that have been identified, there also is recognition that there are challenges which must be overcome.

Lack of Outside Support/Interest

As noted earlier, there has been minimal response and reaction by other interest groups even though it would seem that the intent of LATTs and the missions of these groups are aligned in one way or another. Further, the general public has not shown significant interest in LATTs.

There probably are several reasons why this is so. In particular, groups and individuals do not typically perceive themselves as stakeholders until there is something specific that they can associate with their own self-interests. By its nature, LATTs has a macro-scale regional focus. While the study has included development of 14 reports which specifically address transportation needs in individual states, the analyses are at a systems scale and do not address individual transportation problems. Therefore, there is no way that the general public in particular, and interest groups to a lesser degree, can associate study findings with things which they perceive to be a specific interest to them.

Winners and Losers

LATTs took an approach which attempted to avoid identification of winners and losers, i.e., entities that would receive greater or lesser benefits from the study. Illustrative of this approach was the study decision to base projections of future trade flows upon the current

distributional pattern even through it is highly likely that some gateways, corridors, etc. will have a higher growth rate than others.

Despite these attempts, it is clear that some Alliance members have a much greater stake in Latin American trade than do others. The differences in geographical relationships between Alliance members makes this an inevitable fact. Partly in response to this situation, the Alliance adopted a position that every state would have at least one port and one airport in the LATTSS Strategic Transportation System even if these facilities did not play a significant role in trade with Latin America. Further, each state also was given the opportunity to include in the Strategic Transportation System up to five additional transportation facilities (any combination of mode) that were particularly important to the state, irrespective of the potential or actual role of such facilities in trade flows involving Latin America. While this introduced some technical complexities to the study's analytical approach, it was important that each state have a sense of inclusion and sharing regarding the study's purposes.

Up to this point, there has been a higher cooperative relationship between Alliance members. In part, this is due to the years of working together within SASHTO. While it is hoped that this level of interest and cooperation will continue in the future, it is important that each Alliance member feel that its participation in LATTSS is justified by the rewards. For example, even though some states do not have Latin American gateways and only a small part of the use of their transportation system may be related to Latin American trade, an Alliance strategy regarding corridor development of infrastructure and ITS development may be sufficiently worthwhile to justify their continued participation.

Funding

One reason for the success thus far of LATTSS is the willingness of states to commit funding as well as the generosity of FHWA in providing discretionary funds. These funds have been used to defray meeting attendance expenses as well as consultant costs.

It is not uncommon that travel policies for state employees limit the ability of study participants (in the case of LATTSS, the Steering and Working Committees) to attend out-of-state meetings. If, for whatever reason, LATTSS is unable to continue the approach of defraying travel expenses, this could have a detrimental impact on meeting attendance.

Even more of a concern is the fact that new funding must be obtained if LATTSS is to move forward. The approach used in the initial stage largely was a combination of SPR funds

and discretionary funds. The willingness of each Alliance member to make a further financial commitment certainly is a goal, but achievement of it can not be guaranteed at this stage. This is a matter which may be discussed at the Steering and Working Committees meeting on May 29, 20 and 31, 2001.

Coordinated Implementation

LATTS will achieve a high level of success if it leads to a coordinated implementation process. A review of the broad categories of strategies presented previously suggests that a coordinated approach to many of these will result in greater aggregate benefits than if each Alliance member limits themselves to matters exclusively within its own domain. In particular, a coordinated approach would be most effective with strategies regarding a corridor approach to improvements, transportation technologies, information integration, ITS applications, increased public awareness, improved institutional relationships, partnerships, and improved freight profiles.

Acknowledging that there are benefits associated with a coordinated implementation approach is easier than actually achieving a coordinated approach. This is because, even if each state transportation agency has a desire to follow this approach, investment priorities and policies tend to be parochial in nature. Each state transportation agency must make decisions while keeping its constituency reasonably satisfied. State, local, even federal politicians can have a significant influence on the decisions of state transportation agencies, as can the general public and special interest groups. The pressures received from these influences may not be supportive of a coordinated regional approach such as that promoted by LATTS. It will be a challenge to the state transportation agencies to persuade contrary interests that the coordinated regional approach has greater benefits than more parochial investments and policies.

Membership Size Complications

With 15 members (14 states/commonwealths plus FHWA), the Southwestern Transportation Alliance involves the participation of a sizeable group of committee members. This has led to the following complications:

- ▶ Scheduling of meetings has not been as easy as if the Alliance was a smaller organization. Meetings have to be scheduled well in advance so that optimum attendance can be achieved. Meetings have been well attended despite the scheduling complication.

- ▶ Reviews of interim and draft study products are somewhat complicated because of the number of organizations and persons that are involved. Sometimes it is not convenient for every Alliance member to fit such reviews into their other agency activities. Also, comments from one Alliance member can sometimes conflict with those from another member.

OPPORTUNITIES

Despite the challenges noted above, there is much to suggest that LATTTS will lead to something more than a study.

Support of Alliance Members

A very positive aspect is the support LATTTS continues to receive from the Alliance members. Meetings are well attended and participants seem to share a common interest. Again, the professional association fostered by SASHTO likely contributes to this supportive environment.

Through SASHTO, almost all the Alliance members have a continuing relationship that encompasses a variety of matters in addition to LATTTS. This is something that has the potential to be a significant advantage to implementation of LATTTS strategies.

Creating a Win-Win Environment

As previously noted, certain Alliance members have a greater participation in Latin American trade than do others. Nevertheless, LATTTS has demonstrated that development of a transportation system that caters to Latin American trade flows also serves many other purposes, i.e., other international trade flows plus domestic flows. Indeed, only 12 percent of the needs at LATTTS airports and eight percent of needs on LATTTS highways are directly attributable to trade with Latin America.

Given these circumstances, investment strategies which serve the needs for Latin American trade flows will serve other needs as well. Therefore, by undertaking a cooperative approach, such as corridor investments and ITS deployment, each Alliance member will become a winner, even if the member has relatively light traffic flows associated with Latin American trade.

No Outside Resistance

As noted, the outreach activities undertaken as part of LATTTS did not result in many responses. The flip side of this matter is that there is no organized outside resistance, (at this time) that could detract from achievement of LATTTS objectives.

Indeed, under the right circumstances, it might be possible to engender outside support due to the very positive impact trade with Latin America is having, and will have, on the LATTTS Region. A number of approaches could be used to engender support, such as establishment of Advisory Committees, convening of a Latin American Trade Conference, etc.

Pooled Fund Study Benefits

One of the lessons previously learned but now underscored by LATTTS is the value of the pooled fund study approach. LATTTS involved extensive analyses of trade patterns, forecasts of future trade volumes, and assessment of the adequacy of a regional transportation system.

The regional approach may have resulted in less attention being directed at individual state. Nevertheless, it would have been very difficult for any one Alliance member to undertake a study that involved so many domestic and international matters. By pooling resources, it was possible to achieve much more than the individual efforts of Alliance members could have accomplished.

Now that the regional analysis has been accomplished, individual Alliance members are in a position to undertake assessments which focus more closely upon the unique circumstances within their own state.

Conflict Resolution

LATTTS has developed a context for the Alliance to consider the implications of increased trade with Latin America. Strategic initiatives also have been identified to deal with the impacts on the Alliance's transportation system.

The nature of LATTTS has not involved specific initiatives for particular locations or strategies. As a consequence, no contentious issues have arisen up to this time.

The Steering Committee and the Working Committee provide a forum for conflict resolution. However, these committees have no binding authority since each Alliance member has the option to make independent decisions that are appropriate for its circumstances. Hopefully, the good working relationships established by the Alliance will extend to improved understanding and cooperative action by Alliance members.

I-69 (CORRIDOR 18)

A coalition of eight state transportation agencies and the Federal Highway Administration has undertaken a series of planning studies regarding a proposed route extending from Port Huron, Michigan to the Lower Rio Grande Valley (1,890 miles). The project is sometimes referred to as Corridor 18 because it was the eighteenth corridor in the list of congressionally designated High Priority Corridors contained in ISTEA (1991). It is also referred to as I-69, initially because it connected to the existing I-69 extending from Indianapolis, Indiana to Port Huron, Michigan/Sarnia, Ontario, Canada, but more recently because it now includes the existing section of I-69 and has been officially declared to be the future I-69.

Construction of an interstate facility in this corridor would provide a new route extending from border crossings with Canada and Mexico, and connecting to the domestic highway systems of these two NAFTA trading partners. As such, it has been described as a “North American trade route,” an “international trade route” and a “NAFTA corridor.”

BACKGROUND

I-69 currently exists from the Canadian border at Port Huron, MI to Indianapolis, IN. In its desire to serve the southwestern portion of the state with an interstate facility, Indiana undertook in 1990 an EIS assessment that addressed a facility from Bloomington to Evansville. These assessments were underway when the series of studies of Corridor 18, as discussed below, were undertaken initially.

While extension of I-69 to Evansville would serve Indiana’s intrastate travel, it was recognized that further extension of the facility would fill in a gap in the system of freeways in the region and facilitate growing interstate travel. It also was recognized that enactment of NAFTA would further stimulate travel in this region.

In the ISTEA (1991) Congress designated certain highway corridors of national significance to be included in the National Highway System (NHS). In this legislation, Corridor 18 (now I-69) was defined as extending from Indianapolis, IN to Memphis, TN, via Evansville, IN. Subsequent legislation in 1993 amended this definition to extend the corridor from Memphis, TN to Houston, TX, via Shreveport-Bossier City, LA. The National Highway System Designation Act of 1995 redefined Corridor 18 again by including an extension from Houston, TX to the Lower Rio Grande Valley at the Mexican border.

The Transportation Equity Act for the 21st Century (TEA-21), signed into law on June 9, 1998, again redefined Corridor 18 and officially designated it as Interstate 69. The current definition includes, inter alia, the following stipulations:

- ▶ Includes the I-69 facility from Indianapolis to Port Huron, Michigan/Sarnia, Ontario, Canada;
- ▶ Includes the I-94 facility from Port Huron, through Detroit (including the Ambassador Bridge interchange) to Chicago, Illinois;
- ▶ Adds a connection between the Corridor in the vicinity of Monticello, Arkansas to Pine Bluff, Arkansas; and
- ▶ Includes, in the Lower Rio Grande Valley:
 - (a) U.S. 77 from the Mexican border to U.S. 59 in Victoria, Texas;
 - (b) U.S. 281 from the Mexican border to U.S. 59, then to Victoria, Texas;
 - (c) The Corpus Christi Northside Highway and Rail Corridor from the intersection of U.S. 77 and I 37 to U.S. 181; and
 - (d) FM 511 from U.S. 77 to the Port of Brownsville.

ORGANIZATIONAL FEATURES

In 1992, private citizens who were promoting the I-69 project invited representatives of eight state transportation agencies to attend a meeting in Memphis, TN. This meeting resulted in formation of the Corridor 18 Steering Committee.

The eight states participating in the I-69 planning activities are Arkansas, Indiana, Kentucky, Louisiana, Michigan, Mississippi, Tennessee and Texas. Each of the eight state transportation agencies plus the Federal Highway Administration have designated representatives to the Steering Committee.

A Principal Member and an Alternate Member have been named for each participating agency. In several cases, either the Chief Executive Officer of the state transportation agency or

their Deputy serves as the Principal Member. In recognition of the importance of this project, it is not uncommon that both the Principal and Alternate Members attend Steering Committee meetings, as well as other agency staff.

The Steering Committee constituted the Consultant Selection Committee, issuing the RFP, reviewing written proposals, conducting consultant interviews and making the selection.

FHWA is a nonvoting member of the Steering Committee. Nevertheless, FHWA has a considerable influence on activities and decisions made by the group. In part, this reflects the key role that FHWA plays as a source of funding for the I-69 project. Thus far, the Steering Committee has been able to avoid a position that cannot be supported by FHWA.

The Arkansas State Highway and Transportation Department is the administrative agency, acting with and on behalf of the other coalition members. The Executive Director of the Department serves as chair of the Steering Committee. The consultant contract is administered by the Arkansas State Highway and Transportation Department. Additionally, the Department arranges for and pays for meeting facilities and related expenses, using a portion of the grant monies provided by FHWA.

I-69 Mid-Continent Highway Coalition, Inc.

Private citizens in Indiana were early proponents of the I-69 project. Seeing the need for a multistate coalition, they initiated efforts to recruit influential civic and elected officials from other states in the region. This led to the formation of the I-69 Mid-Continent Highway Coalition which was incorporated in 1993.

The Coalition is well organized and has been actively engaged in activities which support construction of I-69. These activities include active participation in all public meetings held in conjunction with the I-69 project, sponsorship of Congressional dinners, organized Capitol Hill state delegation visits on a periodic basis, other lobbying activities, publication of advocacy materials, publication of a periodic newsletter, etc.

The Coalition comprises a fairly sizeable group of industry and civic leaders and elected officials from the eight states in the I-69 Corridor. Further, each state in the coalition has formed its own state organization.

The Coalition has an Executive Committee and a fairly large Board of Directors. The Coalition employs an Executive Director on a part-time basis. It also retains legislative liaison (lobbying) services and various support services.

The Coalition derives its funding from contributions of its members.

PURPOSE

The Steering Committee adopted this statement of overall purpose for the I-69 project:

“To improve international and interstate trade in accordance with national and state goals; to facilitate economic development in accordance with state, regional and local policies, plans and surface transportation consistent with national, state, regional, and local needs and with the Congressional designation of the corridor.”

CORRIDOR PHASES

There have been four phases thus far for the I-69 Corridor.

Feasibility Study

The Feasibility Study was completed in November 1995. The feasibility analyses addressed the then current definition of the corridor, i.e., extending from Indianapolis to Houston. Key study findings were as follows:

- ▶ Economic Efficiency
 - 1.39 benefit/cost ratio
 - \$2.2 billion net present value
 - 9.9 percent internal rate of return

- ▶ Economic Development Impacts
 - Creation of 27,000 jobs (in 2025)

- Generation of \$11 billion in additional wages (1995 – 2025)
- Production of \$19 billion in value added (1995 – 2025)

- ▶ Environmental Impacts
 - Significant challenges, especially wetlands
 - Dependent upon final location decisions, no insurmountable obstacles

- ▶ Safety Enhancement
 - 1,300 lives saved (1995 – 2025)
 - 57,000 injuries avoided (1995 – 2025)

Special Issues Study

This study was completed in June 1997. It addressed what was then the corridor definition, extending from Indianapolis to the Lower Rio Grande Valley. Key findings included the following:

- ▶ Economic Efficiency
 - 1.57 benefit/cost ratio
 - \$4.0 billion net present value
 - 10.7 percent internal rate of return

- ▶ Locational Issues
 - Challenges regarding crossings of the Mississippi River and the Ohio River
 - Challenges regarding state line and international border crossings in some cases
 - Challenges in urban area connections in some cases

Special Environmental Study

This study was begun in March 1999. The scope included an extensive outreach program (public involvement and interagency coordination), purpose and need statement, designation of sections of independent utility, travel demand analyses, corridor-level environmental studies,

analysis of alternative transportation modes, and assessment of non-transportation options. This undertaking was intended to represent the beginnings of the NEPA process for Corridor 18.

Changing priorities have resulted in the postponement and possible elimination of certain of the study activities. To date, the following study activities have been undertaken:

- ▶ Purpose and need statement
- ▶ Sections of independent utility
- ▶ Transportation modal alternatives
- ▶ Travel demand analyses
- ▶ Outreach activities involving preparation of a videotape presentation, a PowerPoint presentation and press release information

I-69 Environmental and Engineering Assessments

The Special Environmental Study identified 32 Sections of Independent Utility. Work is now progressing on many of the SIU's utilizing Border/Corridor grant funds and other revenue sources. In most cases, this involves development of environmental study documentation and location assessments. Construction activities are underway on one SIU. For the existing section of I-69, improvement and expansion projects are being undertaken.

In furtherance of these activities, three distributions of Border/Corridor grant funds have been received by the I-69 project, i.e.:

- ▶ FY 1999 - \$10 million
- ▶ FY 2000 - \$8 million
- ▶ FY 2001 - \$5 million

These funds have been allocated in proportion to the application amounts for each state.

PUBLIC PARTICIPATION

Early activities in both the Feasibility Study and the Special Issues Study were the convening of public meetings (on a corridor basis) to permit individuals and organizations to present their ideas and concerns to the Steering Committee and its consultants. In both instances the meetings were well attended and a large number of presentations were made. The Steering Committee also received considerable presentation materials from meeting participants.

During the course of both of these studies, newsletters were distributed at important stages to keep interested parties informed regarding the study status and findings. Contacts in each state were identified and many parties took advantage of this opportunity to present their ideas as the study progressed.

At the conclusion of each of the two studies, a second public meeting was held to present study results, to respond to questions, and to receive comments.

At all four public meetings, strong objections were received, almost exclusively from persons and organized opposition regarding the section of I-69 between Indianapolis and Evansville, IN. Concerns have been expressed about environmental impacts, farm preservation, the need for a “new-terrain” highway, etc. As noted earlier, the southern Indiana portion of I-69 is in a more advanced stage than other parts of the corridor. Challenges regarding an EIS prepared for a portion of the corridor in this area led to its withdrawal and the undertaking of a new draft EIS. It is typical that opposition to a facility increases as location becomes more definitive and people and organizations can assess its impacts on their welfare.

It should be noted that a well organized supportive group has countered the opposition to I-69 in southern Indiana. Voices for I-69, an advocacy group based in Evansville, IN, is an active participant in the Mid-Continent Highway Coalition.

The preponderance of comments received have been supportive of I-69. Many see the project as a means to enhanced economic development. In response to some that oppose I-69 in southern Indiana, an attendee from Arkansas somewhat summarized the general sentiment at one meeting by saying “We’ll accept the highway if those other people don’t want it.”

IMPLEMENTATION

There are varying degrees of project implementation along the corridor.

Michigan

Multiyear projects to add capacity, plus maintenance type projects, are being undertaken for the existing I-69 facility in Michigan.

Indiana

In 1997, Indiana designated \$30 million for the I-69 project, indicative of the more advanced status of the project in Indiana than in other parts of the corridor. In September 1997, engineering contracts were awarded for preliminary engineering and design work on the Evansville to Bloomington segment. However, this work subsequently was halted due to difficulties concerning the EIS process. Indiana has withdrawn an earlier draft EIS which covered the segment from Bloomington to Evansville. The state now is proceeding with a new draft EIS, for the longer section from Indianapolis to Evansville.

Kentucky

Kentucky and Indiana have entered into an Interstate Agreement to prepare a preliminary engineering and EIS necessary for determining the alignment around Evansville, IN and Henderson, KY, and crossing the Ohio River.

Tennessee

Environmental study documentation is being prepared for one SIU and Tennessee has made independent application for National Corridor Planning and Development Funds for development of other SIU's. One SIU extends into Kentucky and another extends into Mississippi, requiring coordination with the respective state transportation agencies.

Mississippi

Construction is underway on one SIU in Mississippi and alignment studies are being undertaken for other portions of the route.

Arkansas

A Record of Decision for the Great River Bridge (across the Mississippi) was signed May 3, 2000 and proposals have been received from design consultants. Corridor and alignment studies are being undertaken for the Southeast Arkansas I-69 Connector.

Louisiana

A consultant has been selected for engineering and environmental services on one SIU.

Texas

Texas will act as project manager with Louisiana's cooperation on an SIU crossing the state borders. Environmental assessments and schematics are being prepared for another SIU and right-of-way acquisition is anticipated to begin by September 2002. A feasibility report is being prepared to decide which location through the Houston area should be developed by I-69.

CHALLENGES

The very scale of the I-69 project is both an asset and a liability that affects implementation. For example, the 1430 mile long facility has a construction cost estimate of \$7.2 billion (1997 estimate), a large amount for a single project. On the other hand, it has the collective support of eight states, something that will enhance its funding opportunities.

Funding

The most significant challenge to the implementation of I-69 is its funding. If the public funding requirement is to be met by current revenue sources of the corridor states, then the I-69 project will have to compete with other funding needs confronting the states, including preservation of existing infrastructure and other committed capital projects.

Analyses regarding the fiscal capacity of each state, based on existing revenue sources, indicated that the I-69 project would consume a significant proportion of funds available for construction of all statewide projects.

Thus far, the coalition has had some success in obtaining FHWA grants of discretionary funding. However, these grants have been of a scale sufficient for planning studies and some

preliminary engineering and environmental assessments. The grants do not begin to approach the scale required to eventually build such an ambitious project.

Reliance on the Federal Government

As noted, activities thus far regarding I-69 have been funded in large measure by the federal government. Given the high cost of this single facility and the limited financing capacity of the corridor states, there is much to suggest that this will continue to be the case in the future, as well.

Thus far, the working partnership between the state transportation agencies and the federal government has performed reasonably well. The federal government has been generous in providing funding up to this point, at least sufficient to keep the project moving forward. Nevertheless, there have been some instances when priorities were altered primarily because of circumstances which reflected the different priorities of state and federal agencies.

For the federal government, there are many things that can affect priorities, some of which have to do with transportation legislation enacted by Congress. The amount of discretionary funds controlled by FHWA is greatly impacted by funding reauthorization legislation.

The consequence may well be that FHWA will have limited opportunity to provide the level of funding that is needed for construction of the I-69 project. Compared with the limited financing capacity of the states, this could have serious impacts upon project implementation, despite the overwhelming evidence of the project's worthiness.

Continued Role for the Steering Committee

With the exception of the funding issue, the role of the Steering Committee is taking on lesser importance as the project progresses. The Steering Committee played a vital role regarding early activities which focused upon corridor-level matters. As the project progresses through the preliminary engineering and environmental analysis, the individual states appropriately have a more autonomous role since issues become more localized in nature.

Each state has been supportive of the general location identified by the corridor-level studies. Consideration still is required to address state line crossings, particularly regarding the two which involve major bridges (i.e., across the Mississippi River and the Ohio River). Also,

there is considerable coordination required in the vicinity of Memphis which is located near the Tennessee/Mississippi state line. Nevertheless, these are matters which can be addressed through conventional arrangements between individual states, without the need for Steering Committee oversight (so long as location decisions are generally consistent with the overall concept of I-69).

Out-of-State Meeting Attendance

Each agency funds salary and related costs for its staff to participate in I-69 activities. Also, each agency is responsible for the meeting attendance travel expenses of its staff.

In some states, out-of-state travel is subject to more restrictive conditions than is the case in other states. Policies regarding out-of-state travel have had, on occasion, a detrimental impact upon attendance at Steering Committee meetings. As a consequence, there have been occasions when a state was not represented at a meeting at which significant decisions were taken.

OPPORTUNITIES

While there are significant challenges confronting implementation of the I-69 project, there also are opportunities to use existing organizational structures to champion the project.

Steering Committee

While the Steering Committee may have a diminished role regarding guidance of the project, the Committee still has a vital role that no other entity can effectively perform. It is the Steering Committee only that can be the united voice of the eight state transportation agencies. It is the Committee that can provide corridor level, public sector support that will be essential to eventual implementation of I-69.

In large measure, justification for I69 is based upon its role as an international border-to-border facility that can serve international and domestic trade in a corridor area that currently has few high quality highway facilities. The connectivity provided by the entire facility is a major factor regarding its economic justification. The attractive economic efficiency benefits, relative to project costs, derive in large part from the connection of major population centers and industrial areas throughout the corridor. These positive indicators of the project worthiness also reflect the benefits of an interstate facility that connects to the United State's two NAFTA trading partners.

The Steering Committee is well positioned to be a champion for the I-69 project, during what could be crucial times, when funding for construction is being determined.

Mid-Continent Highway Coalition

This private sector organization (which includes public sector participants) is a strong ally in efforts to push the I-69 project along. With its broad membership base and its well organized activities, the coalition can continue to play a most worthwhile role in obtaining funding commitments for I-69.

Conflict Resolution

Even though each state entered into the series of I-69 studies with notions about what would be best for their particular state, a high level of give-and-take has been manifest throughout the process. For example, a particular route location would have served the best interests of one state but it would have meant that another state would be adversely affected. Evolving out of this situation was a location whereby each state got at least some of the things they wanted, even if they had to give on certain other aspects. The key features of what has evolved are:

- ▶ Creation of a win-win environment in which each member gets enough so that they can support the positions taken by the Steering Committee.
- ▶ Recognition that a united front by all members is the best way to further eventual construction of the I-69 facility.

There are no formal institutional elements which have produced this cooperative approach. Instead, it has come about by the willingness of members to consider the common good and to seek solutions that balance the interests of the state with the overall interests of the project.

Out-of-State Travel Expenses

If the Steering Committee continues to function on an active basis, it may be worthwhile to consider the difficulty certain states experience in getting approval for out-of-state travel. It would be worthwhile to consider establishing an account that could be used to reimburse travel expenses for meeting attendance. Funding for the account could be derived from setting aside a portion of grant funds used for project expenses. Alternatively, each state transportation agency

could be asked to commit a small amount of, say, SPR or similar funds to the project, with these funds being used in turn to reimburse out-of-state travel expenses for its representative(s) at Steering Committee meetings.

Scheduling of Meetings

The I-69 Steering Committee includes representatives of eight states plus FHWA. It is common for both the Principal Members and the Alternate Members of each organization to attend meetings.

As noted, the Steering Committee typically involves the senior level officers of the participating organizations. These officials have complicated schedules and this affects, in a significant manner, the scheduling of I-69 meetings.

To address the complication, the Arkansas SHTD has adopted the following approach:

- ▶ Meetings typically are scheduled about 3 to 4 weeks in advance.
- ▶ Calendars are distributed in advance so that committee members can block out dates when they are unavailable. Arkansas SHTD then selects a meeting date which involves the greatest availability of committee members.

BINATIONAL BORDER TRANSPORTATION PLANNING AND PROGRAM PROCESS

The United States and Mexico have recognized the need for a well-coordinated transportation planning process along the border, especially in light of the further development of economic and commercial relations associated with the North American Free Trade Agreement. Accordingly, the two nations entered into a “Memorandum of Understanding on the Planning Process for Land Transport on Each Side of the Border” on April 29, 1994.

The 1994 Memorandum of Understanding established a Joint Working Committee (JWC) consisting of representatives of the federal and border state governments of both countries (as described more completely later in this discussion). The JWC primarily provided study oversight while the Binational Planning and Programming Study was underway. As discussed subsequently, it now has transitioned into an entity responsible for the continuing planning and programming process regarding the transportation system serving the U.S.-Mexico border area.

BACKGROUND

An early undertaking was the conduct of the Binational Planning and Programming Study. The purpose of the study was:

- ▶ To investigate current state and national planning processes in both the U.S. and Mexico.
- ▶ To review available data on border transportation infrastructure and goods movement.
- ▶ To recommend an ongoing, binational planning and programming process.

The study was intended to establish a continuous, joint, binational process to improve the efficiency of the existing binational policy making planning procedures and funding criteria affecting the Border Land Transportation System (BLTS). The BLTS is a binational transportation system comprising international bridges and border crossings and land connections to major urban and/or economic centers, principal seaports, airports and multimodal/transfer stations and, ultimately, to national transportation facilities.

A series of study products were developed such as:

- ▶ Inventories of transportation facilities on both sides of the border.
- ▶ Inventory of Ports of Entry along the border.
- ▶ Commercial motor vehicle trade flows process.
- ▶ Trade and passenger flow data.
- ▶ Public and private investment programs in both countries.
- ▶ Capabilities to forecast expanding trade.
- ▶ Methodologies for estimating costs and benefits associated with the transportation impacts of binational trade.

The Binational Study had a \$2.5 million budget, 50 percent of which was financed by each of the two nations.

Transition Plan

The Binational Planning Study was completed in April 1998. An important accomplishment was the development of a Transition Plan. This consisted of a series of actions intended to transition from the study phase to a continuing U.S.-Mexico border area planning and programming process.

The Transition Plan suggested protocols for the operation of the JWC as well as descriptions of actions needed to complete the transition. These included:

- ▶ Changes in responsibilities of the JWC.
- ▶ Transferring of information and activities from consultants to JWC member agencies.
- ▶ Startup of new activities.

ORGANIZATIONAL FEATURES

The organizational features of the JWC were set out in the 1994 “Memorandum of Understanding” and reiterated in the Transition Plan. Membership includes:

- ▶ Four representatives each from the U.S. Department of Transportation (U.S. DOT) and the Secretariat de Comunicaciones y Transportes (SCT).

- ▶ One representative each from the four U.S. border states and the six Mexican border states.

- ▶ One representative each from the U.S. and Mexican delegations to the U.S.-Mexico Bilateral Committee on Bridges and Border Crossings. The U.S. representative to this committee is from the U.S. Department of State while the Mexican representative is from the Secretariat of Foreign Relations. A major function of this committee is the issuance of presidential permits which constitute federal support for proposed border crossings.

The preferred representation for JWC members are directors of their respective agency’s transportation planning and programming departments or the division responsible for border area transportation planning and programming. Representatives from the U.S. border states have been appointed in a manner which recognizes the unique organizational features of each state transportation agency. Some JWC representatives are from the agency’s central office while in California the District office provides the representative.

Other federal and state transportation representatives may be included in the JWC, as appropriate and as decided by the JWC. While other agencies have been invited to participate with the JWC from time to time, none have been accorded membership status.

Serving as co-chairs of the JWC are one representative from both the U.S. DOT and the SCT.

For purposes of the Binational Planning and Programming Study, the two nations retained consultants to undertake study activities. The Arizona DOT served as the contracting agency for the study and administered the consultant contract. While a single prime contractor was retained, the JWC required that consultants from each nation perform one-half of the work.

As part of the Transition Plan, the FHWA and SCT each have appointed a “Border Area Coordinator” who is dedicated full time to JWC activities. These Border Area Coordinators are assisted by other FHWA or SCT staff as needed.

The JWC does not make decisions or direct transportation planning, programming or operations or any other aspect currently performed by U.S. and Mexican federal, state and local government agencies. Instead, the role of the JWC is described as follows:

- ▶ “Facilitate the communication among the groups responsible for border transportation planning within state, local, and federal governments in Mexico and the United States.
- ▶ Serve as a forum for the coordination of border transportation planning and programming activities while respecting the differing transportation planning processes and requirements that exist in both countries.
- ▶ Be available as a forum for discussing other binational border area transportation issues.”

In support of its role, the JWC selected 12 basic functions for its near term program, i.e.:

- ▶ “Strengthen the network of professional contacts and binational understanding.
- ▶ Advise the Binational Bridges and Border Crossings Group on related themes building upon products of this study to increase the efficiency of transportation systems.
- ▶ Strengthen communication and consensus building among the groups responsible for transportation planning in the federal, state, and local governments of the United States and Mexico.
- ▶ Support the analysis and the joint formulation of projects between federal and state governments of both countries.
- ▶ Technically review transportation programs/projects before and during the process of binational communications (Binational and federal to state).

- ▶ Help to minimize “disconnects” of the plans, programs, funding, and operations.
- ▶ Distribute and update methodologies developed (in this study and after).
- ▶ Act as a forum for the coordination of border transportation activities, respecting the planning processes and requirements existing in both countries.
- ▶ Supervise the maintenance and updating of the binational data bank with relevant information for border transportation planning and programming.
- ▶ Conduct special studies to look into specific issues.
- ▶ Research new financing schemes.
- ▶ Prepare annual work plan.”

Funding protocols initially provided for 50-50 U.S.-Mexican funding. This arrangement has been relaxed in recent times and now reflects the particular interest of the participating agencies in the smaller and more focused activities which characterize the current work program. Some funding is provided by the respective federal governments while other funding comes from the participating states. The specific budget for each year depends, in part, on the eligibility of projects for various types of funds.

Currently the JWC itself is not funded with a specific budget. Each participant funds the involvement of its JWC member(s) as well as database updating, data accessibility and other activities.

PUBLIC OUTREACH

During the Binational Study, each U.S. state undertook public outreach activities as it felt appropriate and needed.

While the Transition Plan addressed public outreach, no formal broad-based outreach program has been undertaken by the JWC itself. There are, nevertheless, plans for an outreach effort to Mexican motor carriers as a means of clarifying procedures for applying for U.S. licenses in connection with the opening of the border to them (anticipated to be January 1, 2002).

IMPLEMENTATION

The JWC is not an implementing agency. Instead, it is a coordinating body that provides a forum and a process to guide transportation planning and programming activities of its members.

The JWC has enjoyed a fair amount of success. Perhaps one of the most significant has been minimization of surprises. In the past, it was common for facilities meeting at the border to have discontinuities on the two sides of the border. The JWC provides a means for improved coordination that minimizes these problems. Indeed, this type of coordination has proven to be beneficial regarding plans for facilities outside the immediate border area but which may be influenced by border traffic and developments.

Another success has been improved understanding that different agencies do things in different ways. This has facilitated the coordination of plans and programs for transportation facilities.

The spirit of mutual cooperation is exemplified by California providing a full time traffic engineer to address border issues. Included in the traffic engineer's activities has been technical advice to Mexican counterparts and the provision of used equipment to the Mexican agencies either free or at a bargain rate. JWC also has sponsored Technology Transfer Center activities that include training courses for Mexican government staff.

CHALLENGES

Because the JWC involves both federal and state agencies of two culturally and economically different nations, it would be natural to anticipate challenges of a different nature to those faced by coalitions of only U.S. agencies. Nevertheless, experience to date suggests that the challenges have not been as dramatic as might have been anticipated. As noted subsequently, the experiences of JWC have demonstrated that many of these challenges can be overcome.

Roles of Federal and State Transportation Agencies

While the U.S. DOT plays a prominent role in planning and programming for transportation, state transportation agencies are the ultimate agencies for undertaking transportation projects in the U.S. Therefore, the JWC has respected the significant role of the state agencies.

In Mexico, the Secretariat de Comunicaciones y Transportes (SCT) is the dominant agency. The SCT prefers to deal directly with the FHWA and is uncomfortable dealing with state transportation agencies. They tend to rely on the FHWA for assurances that the U.S. states will abide by JWC agreements.

In recognition of the considerable differences, the JWC has had to try to accommodate a federal government to federal government relationship in recognition of the Mexican interests while also accommodating a state government to state government relationship because of the U.S. arrangement.

Participation by High Level Officials

Because the SCT places emphasis upon direct dealings with the U.S. federal government, there also are expectations that the U.S. will be represented at meetings by high ranking officials. This places a burden on FHWA to get such officials to attend since they have complex and demanding schedules. Making it even more difficult is that each nation takes turns hosting JWC meetings and sometimes the meeting location may be in a place that is difficult to reach and requires considerable travel time.

Difficult and Contentious Issues

In the U.S., it is not unusual for a lively debate to occur at meetings where difficult and contentious issues are addressed.

The Mexican participants are very uncomfortable if any sign of disagreement appears in a formal meeting. The Mexican government greatly prefers that discussions of this nature occur in an informal setting outside of the meetings themselves.

Partly as a consequence of this cultural difference, JWC meetings often are used to inform attendees regarding current activities and issues and to coordinate on such matters. Also,

the JWC often will receive presentations regarding issues and concerns but there is a deliberate attempt to avoid agenda items that could involve other than unanimous decisions. Conflicts are not addressed within the formal meetings but are dealt with on an informal basis.

These cultural differences also have affected the language used in JWC communications, reports, etc. Because the Mexican government is sensitive to statements which might be construed to be of a negative nature, care has to be taken to modify the language used to be more neutral. While it usually is acceptable to state facts per se, discussion of the facts has to be couched in careful language so as to avoid what could be construed to be a negative connotation. Both nations have to approve JWC documents so this is a matter that must be addressed on a continuing basis.

Winners and Losers

The JWC deliberately seeks not to set up any outcomes that create possible losers. Instead, a win-win approach is sought and this often involves a fair amount of compromise. The JWC tries to understand the point of view of each member and to avoid situations which could cause trouble for a particular partner. On occasion, this has required special arrangements since each JWC member has different circumstances and operates in its own particular demographic, social, cultural, political and economic environment.

Database Maintenance and Updating

The Binational Study created a significant database, primarily comprising existing sources. Within the scope of that study, it was not possible to convert the various databases to achieve a database consistent in format and definitions. Instead, equivalent definitions were utilized where this was feasible. Further, a Geographic Information System (GIS) file regarding border area plans and programs was developed.

While there was an intent to maintain and update these information resources, they have received a low priority because there is no focused need for them at this time. A volunteer group currently is attempting to do something concerning these databases but there is no assurance about how successful this effort will be or whether this will lead to a sustained and continuing activity.

OPPORTUNITIES

While the JWC has encountered some significant challenges, there is a general sense that most of these have been overcome. Indeed, JWC successors are numerous, as discussed earlier and below.

Language Deficiencies

While language differences could have resulted in obstacles, this has not been the case. This primarily reflects the following:

- ▶ The Mexican representatives are bilingual.
- ▶ Simultaneous translations are provided at each JWC meeting.

JWC Coordination

With 14 agencies and 20 representatives included in the JWC (and meeting attendance by 25 to 30 people on average), meeting schedules and arrangements could be a significant challenge. The typical approach for a meeting is for the host agency to nominate dates and then react, as best possible, to the responses received. Since the JWC only meets formally every six months, this is not an overwhelming complication.

During the Binational Study, teleconferencing often was used as a means of coordination. For a brief period, teleconferences occurred about every two weeks and were deemed to be a successful approach.

Not as productive during the Binational Study was the use of e-mail. This was primarily because the Mexican representatives did not use this means of communication as much as their U.S. counterparts. Some of the study budget was used to acquire computers and to set up e-mail accounts and some progress has since been achieved in the use of this medium.

Diplomatic Relations

Since two nations constitute the JWC, diplomatic factors sometimes come into play. Because representatives of the U.S. Department of State and the Secretariat of Foreign Relations are sitting members of JWC, they are able to identify and respond to any diplomatically sensitive

matter that arises. In recognition of the potential for such matters, these members are kept informed to avoid surprises that might be of a sensitive nature.

Conflict Resolution

As noted earlier, the JWC has sought to create a win-win situation in which the unique circumstances of each participant are recognized and respected. As a consequence, considerable goodwill has been built and members have increased confidence in the JWC and its mission. While there has been a significant amount of compromise, this has produced an environment in which the participating parties feel more comfortable with each other and the JWC as a whole.

Increased Confidence and Understanding

The successes of JWC and the win-win environment which it has engendered have resulted in an increased confidence in the ability of JWC to take on certain issues and to find mutually acceptable answers to them. Members have come to understand the issues and the particular circumstances of the 14 agencies included in the JWC. They recognize that they all share a common goal. They also have confidence that the JWC has established processes for dealing with issues and concerns and that these processes have proven to be successful.

Further, representatives from both nations now know their counterparts on the other side of the border. On occasion, this has meant that a matter can be addressed by talking directly to the relevant counterpart. Only if a matter is of broader concern does it now come to the JWC as a whole.

The U.S. border states likewise have an increased appreciation for each other's unique circumstances. This has resulted in increased opportunities for the border states to address issues directly with sister agencies rather than resorting to the JWC.

As noted earlier, the Secretariat de Comunicacions y Transportes (SCT) is uncomfortable dealing with the U.S. border states, so the JWC provides the use of FHWA as an intermediary. Without the JWC, the SCT would be reluctant to take on certain matters because it would require direct interaction with the U.S. state transportation agencies.

Optimism Concerning Future Opportunities

The international border matter is of paramount importance to the border states and the two nations. Achievement of better transportation in the region will have many benefits, including improved economic opportunities. With so much at stake, there is a great incentive for JWC members to continue their participation. Having achieved considerable success thus far, they have reason to believe that much more can be achieved in the future.

INTERNATIONAL MOBILITY AND TRADE CORRIDOR PROJECT

The Whatcom County portion of the border between Washington State and lower mainland, British Columbia, Canada (and its environs) is commonly referred to as the “Cascade Gateway.” This area is experiencing increasing cross-border congestion, partly in response to increases in NAFTA trade volumes.

The International Mobility and Trade Corridor (ITMC) project commenced in 1997. It is a binational public-private partnership that provides a forum and process for addressing cross-border mobility issues in the Cascade Gateway and its four Ports-of-Entry system.

BACKGROUND

Widespread regional concerns about cross-border mobility have been especially prevalent since 1990. It was around this time that cross-border travel demand began to significantly overwhelm system capacity of the ports-of-entry in the Cascade Gateway. The U.S. and Canada are each other’s largest trading partner. Blaine, Washington is the third busiest commercial port-of-entry and the third busiest passenger vehicle port-of-entry on the U.S.-Canada border. Factors contributing to border congestion include increasing population (especially in the Greater Vancouver region), decreasing levels of federal border inspection agency staff, and U.S.-Canada monetary exchange rates that approached parity in the early ‘90s.

Since the early ‘90s, cross-border passenger vehicle volumes through the Cascade Gateway have declined from a high of about 8.6 million southbound trips in 1991 to about 4.8 million southbound trips in 2000. Over the same timeframe however, commercial vehicle volumes through the Cascade Gateway have increased from about 350,000 southbound trips in 1991 to about 690,000 in 2000. Also over this timeframe, staffing levels of U.S. border inspection agencies have gone down significantly on the northern border.

Over this timeframe, several public agency, business, and nongovernmental entities started responding to border-congestion and regional impacts of increasing cross-border travel demand. Local concerns were also specifically directed towards freight and goods movement and the local impacts of truck congestion. The comprehensive plans of local governments started to include treatment of the border. Trucking associations became involved in seeking

alternative inspection processes. Nongovernmental organizations started formulating strategies for mitigating the impact of the border on business travel and tourism.

National policies also came into play. In 1993, the NAFTA was adopted. In 1995, the U.S. and Canada signed the Accord on our Shared Border which was followed by the Canada-U.S. Partnership (CUSP) in 1999.

In 1997, the United States General Services Administration (GSA) released a draft plan titled, “Western Washington/Lower British Columbia Border Comprehensive Plan.” With focus and a sense of urgency, the report documented that the four regional ports-of-entry were under strain and proposed strategies for operations, traffic management, technology, and binational harmonization. Release of the GSA plan was a powerful catalyst for the formation of IMTC. GSA proposals stimulated a cross-border planning dialog that stakeholders from both countries felt should be continued in a coordinated way.

Also in 1997, reauthorization of ISTEA was underway and proposals for what is now the TEA-21 Coordinated Border Infrastructure (CBI) Program represented an evolving opportunity to support a binational planning coalition such as IMTC.

Formation of IMTC

In February 1997, at a meeting attended by U.S. Senator Patty Murray regarding the GSA comprehensive plan, representatives from agencies on both sides of the border agreed to meet again. In subsequent weeks, a Terms of Reference was drafted and signed by regional stakeholders from the U.S. and Canada that acknowledged the goals of improving mobility and safety for the region’s border crossings and resolved to cooperatively pursue solutions. In the next several weeks, these agencies met and laid the groundwork for the International Mobility and Trade Corridor Project, and the coalition structure. The Whatcom Council of Governments (WCOG) was designated as the lead agency for IMTC.

Initial funding was provided by the Washington Department of Transportation, the Port of Bellingham, Washington, and the U.S. General Services Administration. This funding sustained WCOG’s administration of the IMTC Project for over a year. Over this time, the coalition developed 11 project applications for FHWA’s then-forthcoming TEA-21 Coordinated Border Infrastructure (CBI) Program. From the 11 submissions, three were funded by FHWA. The first of the three was five-years of funding for the IMTC Project – coordination of binational planning.

Purpose

The purpose of IMTC is to facilitate trade, transportation and tourism through the application of innovative improvements to infrastructure, operations and technology. In pursuit of this goal, IMTC is:

- ▶ A forum that facilitates collaboration between border stakeholders from business, government, transportation, and inspection agencies.
- ▶ A binational coalition that identifies and prioritizes needs that transportation and border management agencies can act on from both sides of the border.
- ▶ A successful response to the U.S. Department of Transportation's Border Program, positioning both Washington State and British Columbia for financial partnerships aimed at mobility improvements.

ORGANIZATIONAL FEATURES

IMTC is a U.S.-Canadian coalition of business and government entities. Over 80 binational public and private organizations participate in IMTC activities. Participants in IMTC include the following:

- ▶ Transportation Agencies – Whatcom Council of Governments; BC Ministry of Transportation & Highways; WA State Department of Transportation; Transport Canada; Federal Highways Administration; TransLink; Federal Transit Administration; BC Transportation Financing Authority; Whatcom Transit Authority; Vancouver Port Corporation; Port of Bellingham; U.S. Maritime Administration.
- ▶ Inspection Agencies – Immigration & Naturalization Service; Citizenship & Immigration Canada; U.S. Customs; Canada Customs & Revenue Agency.
- ▶ Border Municipalities – Whatcom County, Washington DOT; Abbotsford, BC; Bellingham, WA; Surrey, BC; Sumas, WA; Langley, BC; Lynden, WA; White Rock, BC; Blaine, WA.
- ▶ Non-Government Organizations (NGOs) – Bellingham/Whatcom Chamber of Commerce; Greater Vancouver Gateway Council; BC-WA Corridor Task Force;

Cascadia Institute; Bellingham/Whatcom Economic Council; Pacific Corridor Enterprise Council; Bellingham/Whatcom Convention & Visitors Bureau; Better Borders Northwest; Vancouver Board of Trade; Cascadia Project/Discovery Institute.

- ▶ *Other Governmental* – WA State Department of Trade & Economic Development; BC Ministry of Employment & Investment; U.S. General Services Administration; Consul General of Canada, Seattle; U.S. Consulate, Vancouver.

- ▶ *Private Industry* – U.S. & Canadian customs brokerages; Amtrak; BC Trucking Association; BNSF Railroad; U.S. & Canadian duty free stores; Northwest Motor Coach Association; regional retail businesses; Washington Trucking Association.

The IMTC Project is structured in three groups. The Steering Committee is the main working group and includes representatives from the primary managers of border activity (inspections, transportation, facilities), regional consulate offices, at-border municipalities, and nongovernmental organizations. The Core Group, which meets three to four times a year, includes the Steering Committee and adds representatives of industry associations (chambers of commerce, trucking, brokerages, duty-free stores, tourism, retail) and state, provincial, and federal legislative staff. The third tier of the IMTC organization is the General Assembly. The General Assembly meets twice a year (usually in conjunction with the Bellingham, Washington Chamber of Commerce's Border Business Conferences) and is IMTC's broad-based constituency of stakeholders with day-to-day interest in a functional cross-border transportation system.

The decision-making body of IMTC is the Core Group. The Core Group gives final sign-off on such things as project lists for submission to the CBI program, adopting of policies, formation of subgroups, and revision of IMTC objectives.

WCOG is the lead agency for the IMTC Project and acts in a supporting role for IMTC participants working on IMTC initiatives, responds to inquiries regarding IMTC activities, and handles day-to-day responsibilities of the lead agency.

With separate border improvement projects having come out of the IMTC coalition and currently being implemented, several subgroups, with administrative support from WCOG, are directly handling project management and oversight functions.

Institutional Arrangements

There have been no legal agreements executed in order to initiate, structure and operate the IMTC Project. Binational participation from private, public, and nongovernmental entities has been continually based on shared interest in coordinated solutions to congestion in the Cascade Gateway. Other major factors that contribute to IMTC's ability to function well without formalized legal structuring are 1) the CBI Program and the funding it avails and leverages from IMTC partners, and 2) FHWA's funding of WCOG through the CBI Program which provides for coordination of the IMTC Project.

Ongoing Coalition

While current funding for WCOG to lead the IMTC project is not permanent, it is WCOG's intent that IMTC continue on an ongoing basis. Transportation between the U.S. and Canada has continuously increased social and economic integration of the binational border region and, especially with NAFTA, is an ever more important component of the countries' trade infrastructure. Providing a forum for coordinated management of these systems on a regional level is very important.

Permanent Staffing

As lead agency of IMTC, WCOG, with funding from the CBI Program, Wisconsin DOT, and some border municipalities, provides dedicated staff to perform a number of supporting functions. Staff functions include facilitation of IMTC meetings, meeting planning, management of a participant contact database, communications with participants and other interested parties, research and writing on data and policy issues affecting IMTC agenda items, grant writing for proposed improvement projects, coordination of funding agreements, and development and distribution of information including a web-site and newsletter.

IMPLEMENTATION ACTIVITIES

At the formative stages of IMTC, participants formed a list of objectives for the coalition. This list of objectives or goals has been the source of subsequently proposed projects – many which are now funded and underway. This list has been periodically revised by IMTC. The current list is as follows.

Planning/Studies And Data

- ▶ Improve traffic information and data.
- ▶ Promote development and management of the Cascade Gateway as a system.
- ▶ Determine feasibility of rail and transit options.
- ▶ Determine feasibility of marine transportation options.

Operations, Policy and Staffing

- ▶ Harmonize cross-border policies and operations in accordance with the goals of the Canada-U.S. Partnership agreement (CUSP).
- ▶ Increase resources and staffing levels at U.S. border inspection facilities.
- ▶ Improve commercial traffic management at Pacific Highway.
- ▶ Improve traffic management at the Sumas-Huntingdon crossing.
- ▶ Ensure ongoing sustainability of the PACE and CANPASS pre-approved cross-border travel programs.
- ▶ Promote harmonization and consolidated administration of PACE and CANPASS including integration with commercial pre-approved travel.
- ▶ Explore options for binational financing structures for future cross-border improvements.
- ▶ Pursue shared U.S.-Canadian border inspection facilities including the creation of accord processing zones.
- ▶ Consider off-border inspection functions.

Infrastructure

- ▶ Improve border crossing approach roads.

- ▶ Improve border crossing rail approach lines and connections.
- ▶ Improve corridor connections of north-south and east-west trade and travel routes.
- ▶ Integrate ITS (Intelligent Transportation Systems).

Project Identification and Coordination

To provide funding for identified border mobility improvements, IMTC serves as a forum through which regional projects are identified, prioritized, and then proposed for funding. Whatcom Council of Governments, under the guidance of the IMTC forum, submits annual funding applications to the U.S. Department of Transportation's Borders Program, as well as applications to the Washington State Freight Mobility Strategic Investment Board. Significant amounts of match funding for projects has come from Washington, British Columbia, Transport Canada, and border municipalities.

Using Border Program grants and matching funds from IMTC partners on both sides of the border, the following activities have been funded:

- ▶ ITS for commercial vehicle operations.
- ▶ Cross-border trade and travel survey.
- ▶ IMTC administration, planning and coordination.
- ▶ Marketing program for PACE/CANPASS (travel programs that allow enrolled motorists to use special lanes at two border crossings).
- ▶ Advanced Traveler Information System (ATIS).
- ▶ Cross-border transit framework.
- ▶ Cascade Gateway rail study.
- ▶ Abbots ford - Sumas cross-border highway design.
- ▶ Study of pre-clearance process for U.S. Immigration and Naturalization Service.

An information clearinghouse also is maintained as follows:

- ▶ A web site with all meeting materials, regional transportation data, and border-oriented events.
- ▶ Data and statistics compiled from a variety of sources.
- ▶ A Cascade Gateway project inventory of regional studies, construction, and infrastructure developments or changes.
- ▶ A library consisting of reports, briefings, data and studies for the regional and northern border crossings.
- ▶ A regular newsletter keeping participants informed of the progress of IMTC-sponsored projects, meetings, and developments.

Milestones

The following is a somewhat chronological list of milestones that range from broad to specific. These are not milestones which were necessarily targeted from the beginning but, for some, as challenges arose, solutions could rightly be called milestones.

- ▶ *Terms of Reference* – While not a legal document, this document was a hugely important symbol of the binational, public, and private sector willingness to actively participate in an effort to craft solutions.
- ▶ *Seed Funding* – Incremental support from Washington State DOT and the Port of Bellingham enabled IMTC to maintain its momentum and make a well researched and coordinated application to the CBI program that had support from both sides of the border.
- ▶ *FHWA Funding from the CBI Program* – FY 1999 funding of the IMTC Project as well as two other IMTC-endorsed projects was a key milestone for the coalition. While one of the unfunded project submissions included match from the Province of British Columbia, the regional success of IMTC in gaining this support raised the profile of the Cascade Gateway and greatly emphasized the potential value of cross-border partnerships. Subsequent applications to the CBI program for the Cascade

Gateway have included significant and aggressive levels of match funding commitments from a variety of Canadian government sources (federal, provincial, and local).

- ▶ *Solutions that don't Cost Money* – IMTC has also provided the forum which has enabled solutions to long-standing operational problems at the border. An example of this is an operational change by U.S. Customs, in cooperation with other IMTC participants, the British Columbia Ministry of Transportation and Highways and the British Columbia Trucking Association, to enable 24-hour processing of less-than-truckload (LTL) shipments at the Pacific Highway port-of-entry in Blaine.

- ▶ *Implementation of Binational Projects* – Along with funding for coordination of binational planning through IMTC, projects identified and pursued by IMTC have been truly binational. The FY '99 Cross-Border Travel Demand Study, funded by FHWA and WSDOT, looks equally at both sides of the border as it analyzes origin-destination, commodity flows, trip-purpose, and other characteristics of Cascade Gateway traffic. The consulting team performing the work is also composed of both U.S. and Canadian firms.

- ▶ *Implementation of Binationally-Funded Projects* – British Columbia made funding commitments for the first round of CBI project applications (the project was not selected for funding). The second and third rounds of project applications and subsequently-funded projects have seen a significant portion of Canadian partnership from a variety of sources.

Implementation Processes

As discussed above, fully endorsed projects are only one form of the actions that result from coordination through IMTC. Operational improvements and other solutions resulting from good communication and cooperation can and do take place between only the agencies that need to jointly respond.

As for larger project recommendations, the methods of project implementation have varied. So far, all major projects have included a large component of U.S. federal funds awarded to WCOG. Depending on the planned scope of work, where the work is to take place (U.S., Canada, or both), and what agencies are most involved in the work product, different

arrangements have been made to administer and manage the project, coordinate project financing, and perform the work.

The following current projects are examples:

- ▶ IMTC (Coordination of Binational Planning) - Federal funds awarded to WCOG and matched with Washington DOT funding. WCOG manages the project.

- ▶ Cross-border Travel Study - Federal funds awarded to WCOG and matched with Washington DOT funding. U.S. Consulting firm was hired as prime. Prime consultant hired Canadian firms as sub consultants.

- ▶ ITS CVO Phase II - Federal funds awarded to WCOG and matched with funds from Canada, British Columbia, and Wisconsin DOT. Project management performed by Wisconsin DOT's Advance Technology Branch. Canadian funding spent directly on Canadian components of the system.

CHALLENGES

The IMTC Project has faced and overcome several challenges. These include the following:

Obligations of Participation

During the first year of IMTC, solidification of Canadian federal and provincial participation required, at a high level, clarification that ongoing participation in IMTC did not imply any loss of prerogative with regard to findings the IMTC coalition might make. This type of coalition structure was intended from the beginning but clarification that IMTC was a forum and not a binding conference was valuable.

Lobbying

Another issue that came up early was lobbying. At an early IMTC Core Group meeting, a participant from the private sector suggested circulating a letter to be signed by all and sent to U.S. legislators. IMTC participants from both U.S. and Canadian government agencies were quick to note their need to be distanced from attempts to influence legislation. In response to this

set of needs, IMTC adopted a no-lobbying policy. IMTC will not lobby as a group nor will individual participants lobby as a “member of IMTC.”

Secondary Motives

Initially, the IMTC group attracted a small contingent with a variety of interests aimed at using IMTC as either a funding source or a source of employment for their services. This included individuals with a range of roles exemplified by consultants and those using membership in fringe organizations as entrée to the process. Some clearly stated, early on, their intent to seek personal or organizational funding, while others were not so forthcoming. Some of these participants actually did contribute in some way to the process, while others were clearly there only for the purpose of seeking funding or paid work. To preserve the credibility of the project, these interests were discouraged from further participation in IMTC.

Maintaining Funding

Funding is a substantial challenge for stakeholder groups such as the IMTC project. Generally, grassroots organizations cannot survive without a recurring revenue source. It is, therefore, vital to obtain front end funding, staff the endeavor, exercise great care in conserving operational funds and participate at the project level in funded projects. Many disparate sources of funding exist. The effort and time expenditure to capture project-specific funds is significant. Without those projects, however, the life of an ad hoc organization is automatically limited. Participants tire of the same old discussions with no respite in sight. Funding to complete projects is vital to the long-term viability of IMTC.

OPPORTUNITIES

IMTC has dealt with the above challenges as they have arisen. The project also has taken advantage of several opportunities that have contributed to the successes that have been experienced.

Subgroups

As the array of issues that IMTC covered has increased, technical treatment of certain issues (i.e., ITS, immigration policy, specific studies, etc.) was delegated to subgroups. This has been an effective way for the Steering Committee and Core Group to avoid extensive discussion of issues that only some participants are informed about or interested in.

Building Trust

One of the greatest challenges in building an effective membership was, and still is, easing federal agencies into a cooperative mood, and building and maintaining a layer of trust among participants. Participants must feel comfortable enough to speak candidly while having some assurance that their trust will not be violated and that they will not be attacked. Enforcement agencies are particularly “vulnerable” to this sort of focus since they are seen by some participants to be at the root of some of the issues. Given the dynamic nature of border-relevant events, maintaining this balance has required constant work.

Broad Participation

As IMTC has focused on improving cross-border mobility and as participants have identified solutions for consideration by the coalition, IMTC’s breadth of participation has expedited the identification of conflicts of interest that impact the viability of certain proposals. Examples of such opposing reactions include Carriers’ and Duty-free Stores’ reactions to proposals to limit auto-traffic at the designated commercial port-of-entry, regional marine ports’ reactions to transportation agencies’ deployment of ITS border pre-arrival information technology, as well as more predictable competing agendas of rail and trucking, inspections and facilitation, and security and risk-management. Early discussion of these differing perspectives helped define the political feasibility of proposals as well as find solutions with knowledgeable input from multiple peers with the same basic interest – increased mobility.

MIDWEST REGIONAL RAIL INITIATIVE

The Midwest Regional Rail Initiative (MWRI) is a projected \$4.1 billion effort to improve and expand passenger rail services in the Midwest. Chicago will be the hub of the Midwest Regional Rail System (MWRRS) with spokes reaching out along eight corridors: Detroit, Cleveland, Cincinnati, Carbondale, St. Louis, Kansas City, Quincy/Omaha, and the Twin Cities. Trains will reach speeds of 110 mph and reduce travel times by 30 to 50 percent. Once all corridors are fully operational, the MWRRS is expected to attract 9.6 million passengers annually.

The sponsors of the MWRI are Amtrak, the Federal Railroad Administration, Illinois Department of Transportation, Indiana Department of Transportation, Iowa Department of Transportation, Michigan Department of Transportation, Minnesota Department of Transportation, Missouri Department of Transportation, Nebraska Department of Roads, Ohio Rail Development Commission, and Wisconsin Department of Transportation. The nine state agencies and Amtrak form the MWRI steering committee.

BACKGROUND

The Midwest Regional Rail Initiative began in 1996 as a series of service concepts. The goals are to increase operating speeds, train frequencies, system connectivity, and service reliability to create a 21st Century regional passenger rail system. The plan is to connect population centers using 3,000 miles of existing freight and commuter rail lines in a nine state region that includes Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, and Wisconsin. By encompassing a multi-state region, the MWRRS is economically feasible due to higher equipment utilization, more efficient crew and employee utilization, and multistate rolling stock procurement.

Although the MWRI began in 1996, studies of high-speed rail systems in the Midwest had begun at least 10 years earlier. A high-speed rail line connecting Chicago and New York was studied, but it did not survive past the initial planning stages. Illinois and Wisconsin studied high-speed rail service between Chicago and Milwaukee, with Minnesota joining the effort and expanding the plans out to the Twin Cities. This combined effort started in the early 1990's and was called the Tri-State High-Speed Rail Study. High-speed rail between Chicago and Detroit was also being studied around this time. One of the leading champions of these efforts was

Tommy Thompson, former Governor of Wisconsin, who was also then Chairman of the Board of Amtrak.

It was soon realized that Chicago was the hub for all these efforts. Through AASHTO, specifically the Mississippi Valley Conference, the states of Indiana, Iowa, Missouri, Nebraska, and Ohio were recruited into the effort by adding corridors between Chicago and Cleveland, Cincinnati, Omaha, and Kansas City. Adding these additional states increased the potential ridership, created greater operating savings through economies of scale, and generated more political clout for this effort. This was the beginning of the MWRRI in 1996.

In August of 1998, the Midwest Regional Rail System Plan was published. This plan was further refined and enhanced and in February 2000 the Midwest Regional Rail System Executive Report was published.

ORGANIZATIONAL FEATURES

Steering Committee

The MWRRI Steering Committee is comprised of representatives from each of the nine states and Amtrak. The Wisconsin Department of Transportation serves as Secretariat for the Steering Committee. The Committee has managed the conceptual and feasibility planning activities over the past several years, and will continue in this role through the initial years of project implementation. The Committee provides oversight and direction to the consultant team selected to study the MWRRS. Wisconsin DOT is the lead agency for contractual agreements with the consultant.

Maintaining the active involvement of the nine states has been one of the key accomplishments of the MWRRI. One reason they have succeeded is that MWRRI secured and retained DOT Secretarial and Staff Level involvement. Another reason is that the AASHTO Mississippi Valley Conference Board of Directors has been involved in the effort.

The Steering Committee's role must evolve as the project progresses. New responsibilities include obtaining project funding, satisfying grant requirements, and addressing implementation issues. An open question is whether the Steering Committee will expand its role to oversee the MWRRS once it is operational, or whether the states will establish a formal organization charged with operations and systems oversight.

Although the Steering Committee provides direction, oversight, and coordination, the ultimate responsibility of implementation and operation rests with each individual state.

Consultants

A lead consultant was responsible for the ridership and revenue forecasts, operations planning, financial and economic analysis, institutional arrangements, implementation and business planning, and directing the other consultants. A second consultant reviewed the financial analysis and a third consultant provided an assessment of infrastructure requirements.

Funding

Funding for the 1998 Midwest Regional Rail System Plan and the 2000 Midwest Regional Rail System Executive Report was provided by the states, Amtrak, and the FRA. The money was pooled and Wisconsin DOT was the administrative agent. State contributions ranged from \$10,000 to \$50,000 for these efforts, with the source of the funds varying between states. Wisconsin used state planning money that had been designated for multimodal studies. Missouri combined state money with MPO money.

STUDY PURPOSE

“The primary purpose of the MWRRS is to meet future regional travel needs through significant improvements to the level and quality of regional passenger rail service.” (MWRRS Executive Report, Feb. 2000)

The MWRRS will improve mobility and act as a catalyst for stimulating economic development in the region. It will:

- ▶ Greatly enhance passenger rail service throughout the Midwest.

- ▶ Achieve significant reductions in travel times and improve service reliability to Midwest areas currently served by passenger rail.

- ▶ Introduce passenger rail service to Midwest areas currently not served by passenger rail.

- ▶ Introduce a regional passenger rail system designed to generate revenues in excess of its operating costs when it is fully implemented.
- ▶ Provide major capital investments in rail infrastructure to improve passenger and freight train safety and reliability on shared rights-of-way.
- ▶ Provide impetus to station area development.
- ▶ Provide 2000 new permanent jobs and 4000 temporary construction jobs.

PUBLIC OUTREACH

The Wisconsin DOT has held a series of public meetings to explain the MWRRS and garner support for the project. Newspaper reports from the cities scheduled to receive high-speed train service tend to be favorable and in support of the system. According to the *Milwaukee Journal Sentinel*, the public reaction was generally positive at the Madison and Waukesha meetings. Many rural residents are opposed to the plan, especially where 110 mph trains will be bisecting their town and where there are issues related to the more than 400 highway/rail grade crossings that need to be improved or closed. One organized opposition group has created a web page that includes a financial history of Amtrak, an analysis of questionable assumptions in the MWRRS plan, and several pictures of train wrecks.

Illinois has also held several public hearings, but planning studies have really driven the MWRRS and there is a need to further involve lawmakers and the general public. The MWRRS Executive Report recommends additional public outreach in the form of a regional stakeholder coalition. This coalition would solicit active support for the MWRRS and secure the required state and federal funding. The coalition would consist of elected officials – mayors, legislators, governors, and members of Congress – as well as private sector advocates and the general public.

STUDY FINDINGS

The MWRRS will require \$4.1 billion (1998 dollars) in capital costs and, once all lines are fully operational in 2010, approximately \$400 million annually in operating and maintenance costs. The economic analysis contained in the Executive Report showed a benefit cost ratio of 1.7 by the year 2030.

Capital Costs

The \$4.1 billion in capital costs is comprised of \$3.4 billion in infrastructure improvements and \$652 million in rolling stock. The major infrastructure improvements include right-of-way modification to track as well as track alignments to support 110 mph train speeds and accommodate freight and commuter rail activity, plus upgrades to stations. The planned 3,000 mile MWRRS network is primarily owned by the freight railroads, with Amtrak and Metra (Chicago's commuter rail operator) owning the remainder.

In addition to the \$4.1 billion capital costs, the MWRRS is expected to generate an additional \$2.6 billion in public/private sector investment to improve and increase amenities in stations and nearby areas.

Ridership and Fares

By 2010, assuming full implementation of the system, the MWRRS is forecast to attract approximately 9.6 million passengers annually. This is four times greater than the anticipated rail ridership on existing passenger train service without improvements. The MWRRS has been designed so that 80% of the population in the Midwest will be within a one-hour ride of a MWRRS station of feeder bus connection.

Fares for this system will be 50% higher than current Amtrak fares. These increased fares will reflect the improved service, while still remaining competitive with air travel.

Financial Performance

All eight MWRRS corridors are projected to generate operating revenues greater than operating costs by the year 2010, assuming that the entire system is fully operational and that the MWRRS operating and financial forecast are essentially achieved. The regional connectivity of the MWRRS in general, and the efficiencies of its operating plan in particular, are the foremost reasons why the system is expected to be cost-effective. Reduced travel times result in operating more train miles per hour of service. This leads to more productive use of labor, which is the largest component of operating costs.

IMPLEMENTATION

The primary challenges related to implementation of the MWRRS are financing, for both capital investments and initial operating expenses, and construction scheduling.

Capital Investment Financing

The MWRRS capital improvement program will spread the \$4.1 billion costs over a ten-year period. The funding plan consists of a mix of funding sources including federal loans and grants, state funding, general funds, and capital and revenue generated from system-related activities, such as joint development proceeds.

Federal funding will be the primary source of capital funds; with both transportation and nontransportation programs expected to cover 80% of the infrastructure costs. Some of the states are already using federal funds to implement MWRRS components, such as highway/railroad grade crossing safety improvements. It is assumed that Federal Full Funding Agreements, Grant Anticipation Notes, and Transportation Infrastructure Finance and Innovation Act (TIFIA) loans will be used to ensure a steady flow of federal funds and keep implementation on schedule.

An effort at the federal level to provide a funding source for high-speed rail is underway. The High Speed Rail Investment Act of 2001 is a \$12 billion bill supported by Senators Trent Lott (R-MS) and Tom Daschel (D-SD). This bill seems to have support in the Senate, but may face a difficult time in the House and with President Bush. A similar bill, the \$10 billion High Speed Rail Investment Act of 2000, was defeated.

Most of the 20% provided by the states will be used to purchase trainsets. Where feasible, private sector financing will be solicited to augment public sector investment.

Initial Operating Expense Financing

Although operating revenues are projected to exceed operating costs once the system is fully implemented, operating subsidies will be required during the construction and start-up phases. A Transportation Infrastructure Finance and Innovation Act (TIFIA) loan is the recommended mechanism to cover these initial operating losses. The load will be paid back over a 35 year period using future system revenues.

MWRRS Construction

The plan calls for a 10 year phased implementation of the MWRRS with various states performing different activities during the same year. An implementation schedule has been developed for each corridor, showing starting and ending times for project development, preliminary engineering and design, construction, and start of revenue service.

The guiding principals for implementation are:

- ▶ Service is to be implemented consistent with market demand and each state's financial capacity to implement the phase.
- ▶ Corridor segments with the highest potential ridership per dollar invested are to be implemented first.
- ▶ Broad geographic coverage is to be achieved as early as possible.
- ▶ Branch lines, are to be introduced in later implementation phases.

CHALLENGES

Federal Funding

The MWRRS Executive Report lists several mechanisms for obtaining funding for this high-speed rail system. It recommends that 80% of the funding come from federal sources. This creates a real challenge since the federal government currently has no programs for funding passenger rail except Amtrak. If the \$12 billion High Speed Rail Investment Act of 2001 fails to obtain approval, the burden of financing this effort will fall to the states.

Congress' efforts to eliminate funding for Amtrak are well known. Had Amtrak viewed the MWRRS as competition for scarce federal funds, this could have turned into a very contentious issue. By joining forces, Amtrak and the nine states have gained lobbying strength and approach Congress with a united voice.

Freight Railroads

The freight railroads own most of the track necessary for implementation of the MWRRS. Obtaining the support of the freight railroads will be a challenge. Mixing 110 mph passenger trains with slower moving freight trains creates safety concerns and requires additional maintenance burdens and expenditures. With the exception of safety, the biggest concern of the freight railroads is that high-speed rail will force the slower moving freight trains to spend more time in passing sidings, thus reducing capacity on an already constrained freight system. The Norfolk Southern line to Toledo and Cleveland, for example, already has serious capacity issues. Station capacity is also an issue at places such as Chicago Union Station.

This area in particular is one in which the MWRRRI feels that a win-win situation is possible. Using federal funds to reduce highway/railroad grade crossings, improve signaling and communications, and increase the amount of continuously welded track (all necessary for high-speed rail) can greatly improve freight rail capacity and service. These enhancements could more than offset the reduction in capacity from mixing freight and high-speed passenger trains.

Retaining Support

Retaining the active support of all nine states and Amtrak through the projected 2010 implementation will be challenging. Both Ohio and Indiana are reported to be reevaluating the benefits of the MWRRS to their respective states. The original three corridors (Chicago-Detroit, Chicago-St. Louis, Chicago-Milwaukee) are projected for completion by the middle of year five. Chicago-Cleveland and Chicago-Cincinnati, which also provides service to Indiana, are scheduled for service in the middle to later part of year six. The MWRRRI must remain united and provide continuous funding if the currently envisioned system is to be developed.

Operational Leadership

An open issue is who will be responsible for the operation and system oversight once the MWRRS is completed. Suggestions range from broadening the role of the MWRRRI steering committee, creating ad hoc multi-state committees, establishing committees by multistate agreements, or creating a Joint Powers Authority through legislative authority.

OPPORTUNITIES

Whether or not the MWRRS is ever completed remains to be seen. Even if the currently plan is not fully realized, it is likely that some aspects of the plan will survive.

Illinois High-Speed Rail

Illinois is currently upgrading track between Springfield and Dwight to improve passenger service. This 120 miles of track is approximately one-half of the Chicago-St. Louis corridor. The FRA and AAR are providing funding, under technology development, for an improved signaling system on this track. The State of Illinois has guaranteed \$100 million for infrastructure improvements.

AAR's involvement is related to research in "positive train control." Positive train control is a series of initiatives to improve rail signals and communication, allowing headways to be reduced and safety to be enhanced. These improved signaling and communications systems are required for trains to operate above 79 mph. This research effort in Illinois will benefit the entire rail industry.

Tri-State (IL, MN, WI)

The Tri-State High-Speed Rail Study continues to exist. Assuming a completed MWRRS as their starting point, Tri-State is developing plans for expanding the geographic scope of high-speed rail in IL, MN, and WI and increasing speeds up to 180 mph. Minnesota DOT is the lead agency for this effort.

Raising Public Awareness

The joint efforts of the nine states and Amtrak continue to make headlines and raise public awareness of high-speed rail as an alternative to congested airports and roads. Continued lobbying before Congress and public outreach efforts throughout the nine states increase the likelihood that more high-speed rail segments will be built.

THE APPALACHIAN REGIONAL COMMISSION

INTRODUCTION

The Appalachian Regional Commission (ARC) is a regional economic development agency representing a unique partnership of federal, state, and local government. Established by an act of Congress in 1965, the Commission is composed of the governors of the 13 Appalachian states and a federal co-chairman, who is appointed by the President. Grassroots participation is provided through multicounty local development districts (LDD's) with boards made up of elected officials, business representatives and other local leaders. Each year Congress appropriates funds which ARC allocates among its member states. The Appalachian governors, consulting with local development districts, draw up annual Appalachian development plans and recommend for ARC approval projects to implement. The broad objective of these programs is to support development in Appalachia's human and community infrastructure and to provide a climate for the growth of business and industry that will create jobs. ARC-funded programs include construction of an interstate-quality highway system, education and job training, health care, water and sewer systems, and other essentials of comprehensive economic development.

BACKGROUND

In the mid 1960s, at the urging of two U.S. presidents, Congress created legislation to address the persistent poverty and growing economic despair of the Appalachian Region. The Region's long downslide, aggravated by the decline of its economic mainstays, coal mining, basic manufacturing, and agriculture, had reached crisis proportions by the mid 1960s. One in three Appalachians lived in poverty. Per capita income was 23 percent lower than the U.S. average. High unemployment had forced many Appalachians to seek work in other regions: during the 1950s, net emigration exceeded 2 million, nearly 13 percent of the Region's 1950 population. This was the backdrop for John F. Kennedy's campaign trips into West Virginia in 1960. Moved by the poverty he saw, Kennedy promised special help for Appalachia if he were elected.

The Need For Regional Development

In the early 1960s, there was wide bipartisan agreement in Congress that problems of lagging regions could not be resolved by private initiative alone. At that time, the federal government made a previously unparalleled commitment to regional development. This

commitment was reflected in, amongst other things, the establishment of the Area Redevelopment Administration (ARA). Inaugurated in 1961, the ARA was representative of the federal government's increased concern and commitment to supporting programs designed to improve socioeconomic conditions, both regionally and nationally. The ARA set a new precedent for federal government aid to poor regions. However, while the ostensible goal of the agency was to help regions such as Appalachia, many federal, state, and local-level Appalachian politicians were dissatisfied with ARA programs and the lack of attention that the agency was giving Appalachia.

In 1963, a special task force, the President's Appalachian Regional Commission (PARC), was created by Kennedy to examine Appalachia's special problems and to recommend solutions. PARC's report to the President became the blueprint for the Appalachian Regional Commission. PARC's findings and recommendations were transmitted to President Lyndon B. Johnson, who used the report as the basis for legislation developed with the support of Congress. Submitted to Congress in 1964, the Appalachian Regional Development Act (ARDA) was passed early in 1965 by a broad bipartisan coalition and signed into law (PL 89-4) on March 9, 1965.

Membership

The ARC currently consists of 406 counties, which are part of 71 Local Development Districts (LDDs) in 13 states – Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia and West Virginia.

THE ARC LEADERSHIP STRUCTURE

The 1964 PARC report called for new kinds of development leadership for the economic development of Appalachia. New organizations through which this leadership could function would be based on:

- ▶ “the absolute necessity for coordinated action between the states and the federal government”
- ▶ the need for “coordinating the many programs now conducted in the region by federal, state and local agencies”
- ▶ the need to be effective in serving both the vastness of the total Region and the smallness of the local jurisdiction.

New leadership and new organizations would be needed to plan and implement a program.

Organizational Features

The ARC has a unique organization structure that allows for a shared role between the federal government and the member states in funding and managing, and a shared role with local planning entities in planning, programming and implementation. The following is a description of the ARC's organizational architecture.

Federal Co-Chair – The Co-Chair represents the federal government's interest in setting Commission policy, leading cooperative activities with other agencies, and developing legislative and budget proposals for the administration and presenting these to Congress. The federal co-chair is a subcabinet level position appointed by the President with a full-time staff of eight.

Governors – The governors of member states identify state-level needs, develop their plan, and create programs and projects for submission to ARC. They share equally with the federal co-chair in making policy, approving state development plans, allocating funds, serve as advocates for states' Appalachian counties, maintain a Washington office for representatives to provide liaison and represent states' interest in Commission activities. The 13 governors elect a state co-chair (from among themselves) to share the leadership role with the federal co-chair. Each state has a Governor's alternate whose role is to coordinate in-state level ARC activities among state agencies. Each state also has a program director that coordinates ARC programs and project development within that state.

Office Of The Executive Director - The Executive Director is the Commission's chief administrative officer. She/He directs activities of Commission staff, helps the federal co-chair and governors implement programs and policies, and reviews state plans and project applications. As chief staff advisor to member state offices on Commission programs, the Executive Director has a technical staff of 20-25 to manage the six program areas: transportation, health care, education, public leadership, new surveys and public infrastructure and job creation.

Local Development Districts Program - While the LDDs are not part of the official ARC organization, ARC does provide support and services to the 71 LDDs, including information and technical assistance for planning and grant making, program development,

information systems support, and administration. This program is part of the office of the Executive Director.

Other Organizational Functions - Other elements of the ARC organizational structure include the Division of Finance, Office of the General Counsel, Program Operations Division, and Regional Planning and Research Division.

States' Role

The ARC has assisted the states in strengthening their capability to exercise their dual role in the Commission: devising regional policies and tailoring them to their particular, more specific needs. Individually and as a group, the states have used ARC and its resources to better manage their development programs, including coordination among the agencies and levels of government and with the private sector.

The development capability built at the state level in Appalachia since 1965 has served the federal system in a variety of ways in recent years, including the administration of the federal block grant at the local level.

In the Appalachian Regional Development Act of 1965, Congress recognized the need for this kind of leadership by creating the federal-state partnership in ARC and mandating the Commission to encourage the states to form local development districts, which the Commission was authorized to help fund.

The Act sets forth obligations of the states in the ARC process. The Act requires that each Appalachian state prepare development plans for the part of Appalachia within its borders, including a description of the state organization responsible for drawing up and implementing the plan and the provision made by the state for participation of local development districts and coordination with various federal, state and local programs. The state is also required to set the “goals, objectives and priorities of the state for the Region.”

Local Development Districts

When the ARC program began, the concept of local development districts was relatively new. Only a small number of the multicounty organizations existed in Georgia, Kentucky and Pennsylvania. In the first year of ARC, emphasis was placed on assisting states in the development of LDDs. Under state authorization, by either legislation or gubernatorial executive

order, development districts were established as locally controlled public bodies or nonprofit organizations. To qualify as ARC-assisted LDDs, they had to be certified by the governors of their states. Some districts were created with a substantial amount of local authority and responsibilities while others were primarily advisory. However, all were set up with the broad purpose of building the local foundation needed to direct development.

In FY 1966, the Commission began to actively foster the creation of districts. It passed Resolution 81 providing funds for the creation and operation of districts and requiring that they become part of the state planning process. ARC funding was made available for up to three-fourths of the administrative costs for each organization.

Today the Appalachian Region is served by 71 local development districts (LDDs), which incorporate all 406 counties. Funded in part by ARC, the districts take on a variety of forms. Some are referred to as councils of governments, others as regional planning and development agencies. While all seek similar objectives, the specific functions of the LDDs are as diverse as their boards and their local areas.

Role of the LDDs

Local development districts are often designated as the implementing arm of federal and state programs. They are, nevertheless, local in character and serve local needs and priorities. Each LDD operates under the direction of a local board of directors made up of leaders from local government, business, labor, the professions, and other groups. Each board employs a professional staff and has an operating budget.

ARC provides about 20 percent of the administrative funds of each LDD. The LDDs raise some of their funds locally from public and private sources, including charges for services. They get funds from federal agencies, including the Departments of Commerce, Health and Human Services, Housing and Urban Development, and Justice. Direct federal funding provides approximately 40 percent of the LDD budgets, state governments contribute about 15 percent, and local governments approximately 25 percent.

The staffs and boards of the LDDs generally blend politics and professional expertise in economic development, planning, public administration, health, education, training, and other fields. Often they provide staff services for smaller county and city governments, services those jurisdictions separately cannot afford.

The local development districts' coordination and promotion of development activities is particularly important in the poorer, more rural areas of Appalachia. These areas consist of a scattered pattern of small communities with few resources of their own. Especially in such areas, the LDDs help break down the isolation of rural communities and foster interjurisdictional cooperation.

THE ARC PLANNING, PROGRAMMING AND IMPLEMENTATION PROCESS

While the ARC is uniquely co-managed by the 13 member states and the Federal Government, the planning and programming process uses a "bottom-up," grassroots approach. The ARC relies on the LDDs, which are not part of the official ARC organization, to identify projects in their respective member counties. Candidate projects are presented to the State ARC program managers, who evaluate the individual projects. Qualified projects are those included as part of each state plan, which is submitted to the ARC Commission. Each of the states negotiates to determine which projects they include in their own plan.

The ARC Commission votes on the final ARC plan for each state. The makeup of each annual plan is based on the availability of funding and the actual level of needs.

THE ARC ECONOMIC DEVELOPMENT STRATEGY

The Appalachian Regional Commission's approach to regional development is broad. The 1965 Act appropriated funds for highways, hospitals and treatment centers, land conservation and stabilization, mine land restoration, flood control and water resource management, vocational education facilities, and sewage treatment works. The basic strategy of combining physical infrastructure, social programs, and regional coordination has continued.

ARC follows a set of strategies and activities geared toward providing communities with the resources they need to reach economic and social development goals.

- ▶ **Regional Strategies** - Regional strategies are employed by the federal co-chair and the governors, cooperatively. They include efforts to improve productivity through integrating and consolidating services, developing strategic initiatives and programs to stimulate development, diffusing technology across geographic and political boundaries, and breaking down regulatory and cultural barriers that impede the Region's development.

- ▶ **State Strategies** - Each governor develops a state strategy tailored to the unique conditions of their state. Some state strategies are carried out jointly with other states and some will be limited to a particular state. This approach enables ARC to combine the overall goals and direction of the strategic plan with a locally based approach to problem solving. Specific state strategies are spelled out in each state's annual Plan and Investment Program.

- ▶ **Headquarters Initiatives** - Commission staff are advocates for the Region, establish alliances with other organizations, develop demonstration projects, and continue research and strategic planning efforts. The staff also provides technical assistance, convenes public forums and workshops, conducts program evaluations, and disseminates information.

ARC PROGRAMS – TWO DISTINCT TRACKS

The ARC has six overall programs of focus, divided into two distinct tracks. The reason for the distinction of the two tracks is based on how the programs are funded and the way projects are selected.

Appalachian Development Highway System

The Appalachian Development Highway System (ADHS) forms the core of ARC's economic development strategy for the Region. Envisioned as a 3,025-mile network of highways to help bring Appalachia into the nation's economic mainstream, the ADHS at the close of the 2000 fiscal year was 77 percent open to traffic, with five percent still under construction and another 18 percent left to complete.

In passing the Transportation Equity Act for the 21st Century (TEA-21), which provides authorization for \$2.25 billion for the ADHS through FY 2003, Congress approved an administration proposal to fund the ADHS out of the Federal Highway Trust Fund. As a result, the highway system now has a substantial and reliable source of federal funding that is expected to accelerate completion of the system.

Current funding levels from TEA-21 are at around \$400 million annually, with an additional \$150 million - \$200 million annually in congressional earmarks. This level of funding is expected to continue through the end of TEA-21, with funding continued thereafter under reauthorization. States match the Federal grants under a 80/20 ratio (states provide 20%).

It is important to note that the ADHS program also includes an intermodal transportation development program which is showing continued success at identifying and funding intermodal (passenger and freight) projects. This program is expected to grow with continued Federal and State support for intermodal and multimodal transportation development.

Economic And Human Development Activities

Adopted in February 1996, ARC's strategic plan fundamentally altered the way the Commission makes decisions about its programs and assesses their impact. Central to the plan is ARC's vision for the future, summed up in five goal areas: (1) education and workforce training, (2) physical infrastructure, (3) civic capacity and leadership, (4) dynamic local economies, and (5) health care.

Their programs are funded by a congressional appropriation to the ARC, plus a variety of federal agencies responsibilities for the respective areas. Current Federal funding levels are at approximately \$70 million annually. States are required to match the federal funds depending on the economic status of the receiving county. The maximum state contribution is 80% for counties with the highest economic status among ARC counties.

Non-highway needs are identified by the LDDs and submitted to the state ARC program. After the states review, the governor submits the projects to the ARC.

ARC POLICY SHIFTS: FROM GROWTH CENTERS TO DISTRESSED COUNTIES

From its inception, the ARC endorsed a growth center strategy. This policy was designed to promote economic growth and development in Appalachia's urban areas and was implemented as a result of the mandate in the ARDA for the ARC "to concentrate its investments in areas with a significant potential for future growth where the return on public dollars invested will be the greatest." The ARC's growth center policy supported the development of Appalachia's urban centers. According to growth center theory, development in these urban centers, or growth centers, would eventually "trickle down" to the region's rural and more economically disadvantaged areas. The growth center concept was influenced by regional development theory prevalent in the 1960s and was a strategy employed by many governments throughout the world at that time.

Largely because of the Commission's growth center policy, urban areas in the Appalachian Region received the majority of ARC funds throughout the early years of the Commission's existence. By the mid-1970s, it became evident that the ARC was no longer implementing its original growth center policy, largely because of the political difficulties associated with concentrating public investments in relatively few places. Nonetheless, the most impoverished areas of the Appalachian Region continued to receive relatively little attention throughout the 1970s. In the early 1980s this changed. In 1981, Congress requested a report from the ARC outlining "a plan for finishing up ARC programs in a reasonable period of time." Faced with what the Appalachian governors and ARC staff members perceived as a serious threat that the federal government would dissolve the ARC, the report submitted to Congress was in many ways designed to further justify and preserve the Commission. Included in the report's "Finish-Up Program" were various policy measures, including a Distressed Counties Program.

The plan for the Distressed Counties Program – now in existence for over two decades – was included in the report.

The ARC Distressed Counties Program

The Distressed Counties Program was adopted as ARC policy and made effective at the beginning of FY 1983. The policy established a 20 percent allocation of Area Development funds for projects in distressed counties and 20 percent match rates by state and/or local governments. To identify distressed counties, the Commission selected variables that were not susceptible to short-term variation.

Each year ARC devotes a significant percentage of its resources to economically distressed counties, which make up roughly a quarter of the 406 Appalachian counties. ARC has in place a set of economic guidelines that has resulted in the bulk of ARC funding going to counties with local economies operating well below national norms.

ARC annually ranks Appalachia's 406 counties on a four-tier system based on economic performance. The four categories are attainment counties, which have per capita income, poverty, and unemployment rates equal to or better than national averages; competitive counties, which have economies approaching national norms; transitional counties, which have some rates below national norms; and distressed counties, which have per capita market incomes no more than two-thirds of the national average and poverty and unemployment rates of at least 150 percent of the national average.

ARC ACCOMPLISHMENTS

Dramatic improvement in the Region since ARC's establishment is reflected in a reduction in poverty, a rise in per capita income, and a reduction in out-migration. In 1960, one in three people in Appalachia lived in poverty, compared with one in five in the nation as a whole. By the 1990s, Appalachia's poverty rate had been cut in half, while the nation's poverty rate had dropped by 40 percent. Since 1965, per capita income had risen by 6 percentage points, to 84 percent of the national average in the 1990s. In the 1950s, over 2 million Appalachians—some 13 percent of the population—left the Region in search of jobs and a better way of life. As the economy has improved with the help of ARC, emigration has been reversed to immigration and growth in all but a few counties.

ARC's contributions to the Region's gains include the following:

- ▶ The base for ARC's economic development achievements, the Appalachian Development Highway System, is now 82 percent complete or under construction. Hundreds of thousands of new jobs have been created in counties with access to the new highways.
- ▶ ARC has completed thousands of industrial and commercial water, sewer, waste disposal, and other types of community development projects. ARC funding also provided the first clean drinking water and sanitary sewer lines for 700,000 residents in the Region's poorest counties.
- ▶ ARC has helped construct or equip more than 700 vocational and technical facilities serving more than 50,000 students a year. Some 100,000 workers have received ARC-funded job training to upgrade their skills.
- ▶ ARC has helped rehabilitate or provide infrastructure for more than 14,000 housing units, helping to dramatically reduce the number of Appalachian families living in substandard housing.
- ▶ ARC-supported revolving loan funds for small businesses—the source of many new jobs—assisted 200 businesses and created 8,000 new jobs by the mid 1990s.

- ▶ A network of more than 300 ARC-funded health-care clinics and hospitals serves millions of patients a year. Through a regionwide ARC initiative, primary health care is within 30 minutes of nearly every Appalachian.

- ▶ More than 220,000 children have been served in ARC-funded comprehensive child development programs in areas that lacked preschool programs and where affordable childcare was essential to help low-income working parents stay above the poverty line.

- ▶ ARC's role in leadership development has dramatically enhanced the capacity of local communities to build the institutions needed for local determination and self-help. The local development district concept strengthened the ability of dozens of local government entities to provide service, and more than 4,500 young Appalachians have served in ARC-supported community service projects aimed at developing their leadership skills.

- ▶ According to a study funded by the National Science Foundation and conducted by the Regional Research Institute of West Virginia, Appalachian counties have grown 48 percentage points faster in personal income and earnings, 17 percentage points faster in per capita income, and five percentage points faster in population than a group of "twin" counties. The ARC program was a major factor in producing such a dramatic difference.

PAST CHALLENGES AND FUTURE DIRECTIONS

Course corrections have been made to ARC programs throughout the years, but more drastic ones came in fiscal year 1983 when the ARC finish-up program began.

The launching of the finish-up program was preceded by a period of crisis for ARC. In trimming the Federal budget, the new Administration in 1981 included termination of the ARC area development program and of the Commission itself. The highway program would continue, but would be cut and funded by the Department of Transportation from the Highway Trust Fund.

The Appalachian governors, meeting in February 1981, agreed to accept fair-share cuts of ARC funds, but unanimously agreed, in a bipartisan resolution, that the Commission should not be abruptly terminated.

After negotiation with Congress and consultations throughout the Region, the governors responded to a congressional request for recommendations as to how the highway program might be completed and the area development program phased out over three to five years. The December 1981 gubernatorial response, entitled “A report to Congress from the Appalachian Governors concerning the Appalachian Regional Commission,” was a bipartisan compromise. Among the 13 governors, some argued that the ARC program is so effective that it should not be terminated at all. Others, while praising the program, wanted to reflect the Administration’s fiscal concerns.

The governors’ proposal narrowed the focus of the ARC program, cut the cost sharply and fixed completion dates. Highlights of the proposal include:

- ▶ The proposal for the highway program called for completing the remaining miles of the total system.
- ▶ A five-year jobs training and private investment program to create and retain jobs.
- ▶ A distressed counties program focused on the most distressed counties.
- ▶ A health care program to bring health care to counties lacking adequate health care resources.
- ▶ A development foundation to establish public-private partnerships in the ARC.

ARC was not phased out due to continued strong support in Congress, with governors and at the local level. However, ARC continued to change, reflecting changing economic conditions and political climates.

Three initiatives undertaken by ARC in 1995 suggest new paths to economic growth for the Region and the new global economy and high-technology business world.

- ▶ A program to help internationalize Appalachia’s economy will encourage the participation of Appalachian businesses in the global marketplace and in creation of new job opportunities through data development, financing, technical assistance, training, and marketing.

- ▶ To ensure that Appalachia is not bypassed by the national information network, ARC will help its member states achieve common levels of telecommunications service and network development by funding programs in education, training, planning, technical assistance, coordination, and advocacy.
- ▶ A leadership and civic development initiative will help to create the leaders and community institutions that are the building blocks for local economic growth.

CONCLUSION

The ARC is a good example of a multijurisdictional effort that is well institutionalized, both in terms of how it is funded (and continues to get funded) and how it manages, plans, programs and implements. Many of the elements demonstrated by the ARC should be viewed as critical to any efforts to produce other transportation oriented multijurisdictional planning organizations.

DATA SOURCES

This ARC section of the white paper contains data, text and facts from interviews with ARC officials and from the following publications:

- ▶ “Appalachian – Twenty Years of Progress;” March 1985, ARC.
- ▶ “Economic Effects of the Appalachian Regional Commission;” Andrew Isserman and Terance Rephann, Summer, 1995.
- ▶ “Program and Challenges in Reducing Economic Distress in Appalachian” Lawrence Wood and Gregory A. Bischak, January 2000.
- ▶ “Setting a Regional Agenda – ARC Strategy Plan: 1997 – 2002” ARC, 1997.
- ▶ “Appalachian Regional Commission - 30 Years of Service” Journal of the ARC, Winter/Spring 1995.
- ▶ ARC Annual Report; 1999.