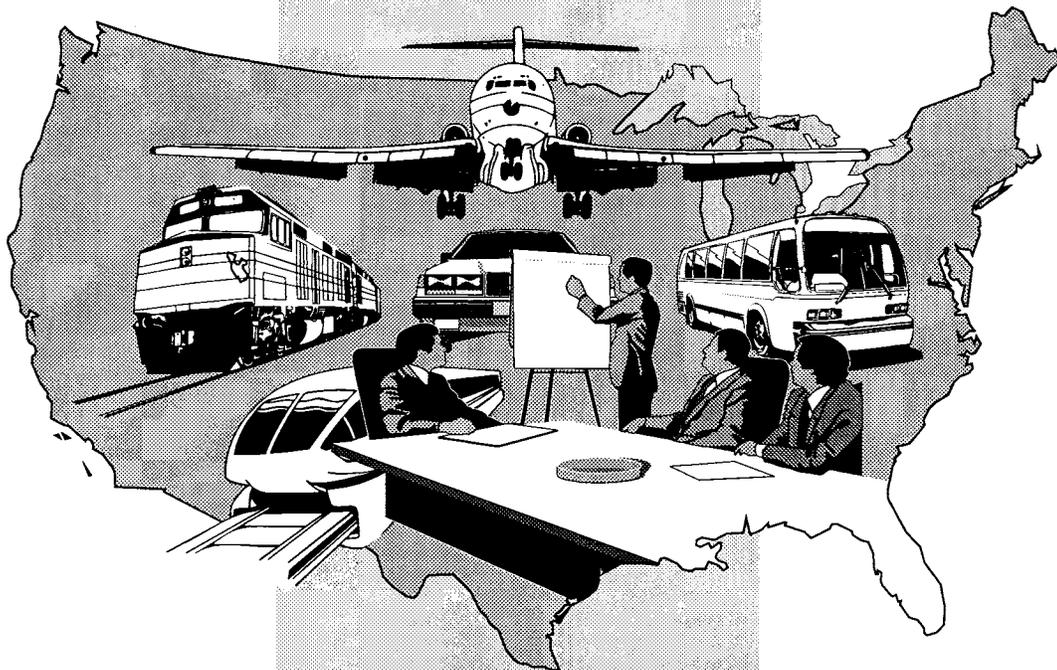


FINAL REPORT

**EVOLUTION AND DEVOLUTION:
A NATIONAL PERSPECTIVE
ON THE CHANGING ROLE
OF METROPOLITAN PLANNING ORGANIZATIONS
IN AREAWIDE INTERMODAL PLANNING**



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<p>Abstract</p> <p>The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) dramatically changed the metropolitan planning process by presenting new opportunities and responsibilities to the institutions in charge of metropolitan planning. The legislation fundamentally altered intergovernmental relationships at the federal, state, and local levels by devolving unprecedented decision-making authority for project selection and funding allocation to state and local governments. Seemingly, one of the prime benefactors of this change was the metropolitan planning organization (MPO), the institution created to perform federally required transportation planning for metropolitan areas. Yet, a decrease in MPOs' planning responsibilities in the decade prior to the passage of ISTEA left MPOs somewhat unprepared for the new roles and responsibilities given them by the legislation. Indeed, ISTEA's new technical and political mandates created onerous burdens for MPOs, and the devolution of power blurred many of the established lines of responsibility in transportation planning. As a result, ISTEA's effect on MPOs has had implications for all actors involved in the planning process and has engendered questions concerning the institutional competence of MPOs, as well as their planning authority vis-à-vis other planning institutions.</p> <p>In this study, the authors investigated the genesis and evolution of MPOs. They reviewed the changes in MPOs over time, including the statutory mandates and funding changes that have affected both their planning capabilities and priority setting. Special attention was paid to the changes created by ISTEA and the institution's ability to deal with the requirements of intermodalism. The report provides recommendations to help facilitate MPOs' adjustment to the intermodal transportation planning process mandated by ISTEA and suggests areas of future research to help planning agencies prepare for the mandates of "NEXTEA."</p>				

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(The opinions, findings, and conclusions expressed in this report are those of the authors and not necessarily those of the sponsoring agencies.)

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PREFACE

On September 30, 1997, the legislation that has governed the administration of transportation policy in the United States since 1992, the Intermodal Surface Transportation Efficiency Act (ISTEA), expires. Perhaps the most important concern associated with the expiration of ISTEA involves how transportation policy will be changed as a result of the legislation that follows it. For state and local officials, this question focuses specifically on how federal legislators will alter the mandates currently imposed on state and local governments. Although researchers who study the impact of federal transportation policy on states and localities have no way of knowing the specifics of the next piece of transportation legislation, they can make a strategic effort to understand fully the effects of the present legislation—particularly how state and local administrative agencies have adjusted to it—to be better prepared to adapt to the inevitable changes that will occur as a result of ISTEA’s reauthorization. This report is an attempt to understand better how one type of administrative agency, the metropolitan planning organization (MPO), has responded to the mandates of ISTEA.

This report serves two purposes. The role of MPOs in the metropolitan planning process has been altered extensively as a result of decades of changes in federal transportation legislation. Therefore, one purpose of the report is to take a historical look at how federal legislation has transformed the metropolitan transportation planning process over the last 25 years. Most important, the report charts how the role of MPOs has changed as a result of this transformation, focusing extensively on the period after the enactment of ISTEA. In this way, the research provides important background information on the changing role of MPOs, which helps, in part, explain the current problems facing them. Second, the report assesses how these role changes have affected the ability of MPOs to perform metropolitan planning effectively. In drawing conclusions concerning the effects of ISTEA and other federal policies on MPOs, the report relies heavily on the content of federal legislation and the data from surveys of nationally representative samples of MPOs. The report, therefore, is national in scope and looks at how MPOs across the United States have attempted to meet the challenges of federal transportation legislation.

The evolutionary bent of the report highlights the impact and consequences of national transportation policy decisions on the ability of administrative agencies, in this case MPOs, to perform effectively. One instrumental insight that emerges from this analysis is that planning agencies need to be proactive in meeting the challenges presented by federal legislation. A proactive approach to a shifting federal policy environment requires that planners have a full understanding of the transportation planning process as it exists, as well as a knowledge of the full range of options available to them in meeting the demands of changes in federal legislation. Accordingly, the recommendations offer a number of suggestions for future research that may help planning organizations prepare themselves for what has been called “NEXTEA.”

ABSTRACT

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) dramatically changed the metropolitan planning process by presenting new opportunities and responsibilities to the institutions in charge of metropolitan planning. The legislation fundamentally altered intergovernmental relationships at the federal, state, and local levels by devolving unprecedented decision-making authority for project selection and funding allocation to state and local governments. Seemingly, one of the prime benefactors of this change was the metropolitan planning organization (MPO), the institution created to perform federally required transportation planning for metropolitan areas. Yet, a decrease in MPOs' planning responsibilities in the decade prior to the passage of ISTEA left MPOs somewhat unprepared for the new roles and responsibilities given them by the legislation. Indeed, ISTEA's new technical and political mandates created onerous burdens for MPOs, and the devolution of powers blurred many of the established lines of responsibility in transportation planning. As a result, ISTEA's effect on MPOs has had implications for all actors involved in the planning process and has engendered questions concerning the institutional competence of MPOs, as well as their planning authority vis-à-vis other planning institutions.

In this study, the authors investigated the genesis and evolution of MPOs. They reviewed the changes in MPOs over time, including the statutory mandates and funding changes that have affected both their planning capabilities and priority setting. Special attention was paid to the changes created by ISTEA and the institution's ability to deal with the requirements of intermodalism. The report provides recommendations to help facilitate MPOs' adjustment to the intermodal transportation planning process mandated by ISTEA and suggests areas of future research to help planning agencies prepare for the mandates of "NEXTEA."

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INTRODUCTION

The enactment of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) marked a fundamental change in the philosophy of transportation policy in the United States. For the 36 years prior to the legislation, the focus of federal transportation policy had been on connecting the major economic and strategic areas of the country, largely through the creation of the Interstate Highway System (IHS)—an interconnected network of high-quality highways. In line with this goal, federal funding priorities, and the mandates that accompanied them, were geared toward the construction of highways, often at the expense of other modes of transportation. Indeed, in the 1980s, the construction of new roadways absorbed nearly 75 percent of all federal money allocated for transportation programs (Note 1992).

With the IHS nearly completed by 1990, however, federal lawmakers shifted the focus of their transportation priorities. To increase the efficient movement of goods and people, legislators turned away from using funds and statutes to emphasize the creation of new highways and, instead, used their legislative power to promote innovative techniques to reduce congestion on existing highways. In addition, rather than emphasize a single mode of transportation—the motor vehicle—lawmakers highlighted alternative modes and placed added emphasis on the connections between them. The manifestation of this new set of priorities was ISTEA, a piece of legislation designed to create a “seamless” system of interconnected modes of transportation ranging from highways and waterways to bicycle and pedestrian facilities.

The implications of this change in philosophy were far-reaching for those institutions assigned to implement transportation policy. The new priorities of ISTEA forced legislators to redefine the old roles of many governmental institutions involved in transportation planning and programming. Further, ISTEA’s emphasis on environmental and safety issues added new dimensions to the already complex practice of transportation policy implementation. These changing roles combined to form a complicated and at times overwhelming change for many of the institutions involved in the transportation planning process.

Of the changing institutional roles outlined by ISTEA, none was more notable than the new intergovernmental relationships forged among federal, state, and local institutions. The act made what has been described as “wholesale revisions” of the federal role in transportation policy by devolving a significant amount of decision-making authority in both funding allocation and transportation project selection to states and localities. One of the more obvious manifestations of this devolution was that ISTEA mandated the downsizing and integration of 1,328,000 kilometers (830,000 miles) of federal interstate, primary, secondary and urban highway systems into a 256,000-kilometer (160,000-mile) National Highway System (NHS). This change gave state and local governments greater authority over 960,000 kilometers (600,000 miles) of previously designated federal-aid highways. Additionally, states and localities were given flexibility in the use of federal surface transportation funds. Under ISTEA, these funds could be “flexed,” or shifted, from one mode of transportation to another depending on the priorities of state and local planners. As intergovernmental experts Gage and McDowell (1995) noted, because of ISTEA, “modal allocation of most federal transportation funds are left to the state and metropolitan planning processes and to the state and local stakeholders involved in those processes” (140). In short, ISTEA represented a fundamental shift in the federal-state-local partnership in a direction that increased decision-making authority for the transportation institutions found at lower levels of government.

Ostensibly, one of the primary benefactors of the devolution of power under ISTEA was the metropolitan planning organization (MPO). Created in the early 1970s to perform federally required transportation planning for metropolitan areas, the MPO was given both new responsibilities and new powers by the 1991 legislation. Most notably, ISTEA requires that approximately \$9 billion of the Surface Transportation Program funding be passed directly through the state to MPOs that represent urban areas with populations of 200,000 or more (Dilger 1992). In terms of the institutional strength of the MPO, this funding scheme has given it unprecedented power in that individual MPOs now have sufficient funding to select their own projects for construction or enhancement. As Dilger noted: “The MPO must consult with state officials prior to making their final project selections, but, for the first time, they can make those selections without the state’s approval” (74). Certainly on the surface, then, ISTEA seems to have provided a windfall for the larger MPOs by giving them more institutional power than they have had at any other time in their history.

Although the institutional power of MPOs has grown, the price of this authority has been a much more difficult set of administrative requirements. These include the larger technical burden of intensified planning processes and the added political burden of the greater public participation requirements mandated by ISTEA. As a result, the new role given to MPOs by ISTEA has been accompanied by numerous questions concerning their institutional competence. Indeed, with the new roles of MPOs have come serious questions about their organizational, technical, and political capacities in meeting these new responsibilities. Additionally, ISTEA, in creating new governmental partnerships, mandates cooperation between state governments and MPOs while, at the same time, blurring the lines of authority and responsibility between them. Reports of the current institutional milieu in the states cite that MPOs have had a difficult time

accomplishing the goals of ISTEA. In this study, these claims were tested and the current state of MPOs was explored.

PURPOSE AND SCOPE

The purpose of this study was to explain the current situation of MPOs and develop suggestions as to how their situation can be improved. Because the study drew heavily on the content of numerous pieces of federal legislation, as well as a nationally representative survey of MPOs, it was national in scope.

METHODS

Why have MPOs had difficulty in meeting the demands placed on them by ISTEA? How do they prepare for the future? In answering these questions, the study took a “path dependency” approach. In other words, administrative bodies such as MPOs possess an institutional inertia that prevents them from being able to “turn on a dime” in response to demands placed on them by a changing policy environment. Therefore, it is necessary to understand the historical “path” of the institution to understand better its ability to function in its present environment. This study, therefore, examined the historical evolution of the MPO with the purpose of better describing its current situation. In this way, transportation players actively involved in the implementation of ISTEA can better understand how to deal with contemporary MPOs.

In line with the path dependency methodology, this study traced the evolution of the MPO through time. In doing so, the authors attempted to explain how MPOs have been transformed to meet the requirements of intermodal planning under ISTEA. Further, to understand this path better, the study reviewed the role of MPOs each decade since their creation in relation to the following three dimensions:

1. *Statutory mandates, responsibilities, and functions of MPOs:* new legislation or amendments to existing legislation that functionally altered the role played by MPOs in the planning process, thus changing their responsibilities and related functions.
2. *Financial arrangements:* trends in funding for MPO-sponsored projects and the areawide planning process, specifically the ways in which financial support for these programs changed over time.
3. *Priority-setting process:* how priority setting in metropolitan planning has changed over time and how it must change to meet the challenges of intermodalism.

The primary benchmarks in the evolution of these three dimensions of MPOs are highlighted in Table 1, which the reader may use as a road map as he or she progresses. After the evolution of MPOs over time was reviewed, recommendations were developed to increase the effectiveness of the intermodal planning process and delineate suggestions for future research that may help prepare planning agencies for the mandates of what has been called “NEXTEA.”

RESULTS

Context of the Metropolitan Planning Process

Prior to the 1960s, areawide planning efforts of urban transportation systems were limited to informal cross-jurisdictional coordination, lacking a common institutional basis for planning and decision making. With the advent of planning organizations for urban areas in the 1960s, however, localities were provided with a new venue through which to develop areawide and regional transportation plans and conduct long-range planning. Since their introduction, MPOs have evolved dramatically, changing in structural form, responsibilities, and authority. As noted, the greatest challenges yet to be encountered by MPOs are the mandated objectives of intermodal transportation planning brought about by ISTEA. The sweeping goals of the act present both implementation challenges and opportunities for MPOs to reinvent themselves in the name of areawide intermodal planning. To better understand how this transformation is evolving, three dimensions of the metropolitan planning environment must first be understood: the internal institutional characteristics of MPOs, their intergovernmental relationships, and the process by which MPOs set priorities.

Institutional Context of Regional Metropolitan Planning

Three types of regional bodies related to transportation can be found on the local government landscape: regional planning commissions or agencies (RPCs or RPAs), councils of government (COGs), and MPOs. Both RPCs and COGs were formed under the requirements of Section 710 of the Housing Act of 1954. MPOs, on the other hand, were established through the Federal-Aid Highway Act of 1972 to meet the specific needs of highway planning (Lyndon B. Johnson [LBJ] School of Public Affairs 1989). Although in some metropolitan areas the staffs of the RPCs and COGs concurrently staff the MPO and maintain similar boundaries, their responsibilities for transportation planning, as with MPOs that do not share staffs, have been defined through the many amendments to the Federal-Aid Highway Act and, most recently, through ISTEA.

As prescribed by federal law, each region designated by the U.S. Census Bureau as an urbanized area with a population of 50,000 or more must fall under the jurisdiction of an MPO. In many cases, a single MPO provides support to several urbanized areas in a metropolitan

TABLE 1. ROAD MAP OF EVOLUTION OF MPOS

	Statutory Mandates	Financial Arrangements	Priority Setting Process
1960s	<ul style="list-style-type: none"> ■ <i>Federal Highway Act of 1962</i>: Initiated 3C planning process. ■ <i>Urban Mass Transportation Act</i>: Encouraged areawide planning. ■ <i>HUD Development Act of 1965</i>: Authorized regional planning grants. ■ <i>Intergovernmental Cooperation Act</i>: Encouraged local government involvement in regional planning. ■ <i>Circular A-95</i> (1969): Designated metropolitan clearinghouse agencies. 	<ul style="list-style-type: none"> ■ Federal funds for specific local transportation projects allocated directly to localities. ■ Categorical grant funding directly to the locality, bypassing the state. ■ Circular A-95 required federal agencies to notify governors of all federal awards within a state. 	<ul style="list-style-type: none"> ■ Regional coordination primarily the responsibility of the state. ■ Individual municipalities determined local priorities for building roads. ■ Municipalities required to receive state funding and approval for most regional road projects.
1970s	<ul style="list-style-type: none"> ■ <i>Federal-Aid Highway Act of 1973</i>: Funded urban agencies designated by states for 3C process. ■ <i>FHWA/UMTA Regulations (1975)</i>: Required governors to designate MPOs. 	<ul style="list-style-type: none"> ■ Federal-Aid Highway Act of 1973 paved the way for direct funding to regional agencies designated by the state as lead for the 3C process. ■ MPOs treated equally, receiving equally proportionate shares of federal planning money. ■ Direct transfers from federal government to the MPO. 	<ul style="list-style-type: none"> ■ MPO plays significant role in promoting regional cooperation. ■ Localities coordinate on areawide transportation projects. ■ MPOs an equal player with states in areawide metropolitan planning. ■ Transportation Improvement Plan (TIP) catalyst for cross-modal planning.
1980s	<ul style="list-style-type: none"> ■ <i>FHWA-UMTA Rulemaking (1981)</i>: Provided states and local governments with enhanced discretion in determining appropriate MPO structure. ■ <i>Deregulation Initiatives</i>: Federal agencies primarily involved with MPO funding reduced federal role, directing reduced funds to either states or transit agencies. Eliminated TSM requirement. 	<ul style="list-style-type: none"> ■ Termination of HUD Section 701 comprehensive planning program. ■ Termination of EPA Section 208 wastewater treatment planning program. ■ Federal government redesignated state government as a clearinghouse for federal funds. ■ Surface Transportation Assistance Act of 1982 directed Section 9 block grant funds to transit agencies. 	<ul style="list-style-type: none"> ■ Elimination of Transportation System Management (TSM) plan: reduced role of MPO in regional planning. ■ Circular A-95 rescinded, no longer binding municipal governments together in an areawide effort. ■ Transit agencies and states play a greater role; MPOs establish new missions in line with state/transit revenue sources.
1990s	<ul style="list-style-type: none"> ■ <i>Intermodal Surface Transportation Efficiency Act of 1991</i>: Comprehensive legislation that realigned the responsibilities of both MPO and state to conform to a series of new federal requirements with an intermodal focus. 	<ul style="list-style-type: none"> ■ Direct funding to large MPOs through surface transportation block grant by formula. ■ Provides funding to states for smaller MPO projects and rural planning. ■ ISTEA requires financially constrained Transportation Improvement Program. 	<ul style="list-style-type: none"> ■ 15 federal guidelines for MPOs to follow issued under ISTEA. ■ 20 federal guidelines issued for state. ■ Emphasizes roles of localities through the MPO, with participation by public and private sectors. ■ Transportation Improvement Program requires intermodal approach.

region, and some urbanized areas have several MPOs. This is not the case in Virginia, however. Since there are approximately 50 more urbanized areas in the United States than there are MPOs, it is more likely that a single MPO will encompass multiple urbanized areas. The jurisdictional boundaries of the MPO are drawn to cover existing population and areas forecast for urban growth over the next 20 years (McDowell and Edner 1993). The metropolitan planning process is intended to include all local government jurisdictions in a specific planning area for purposes of coordination, planning, and long-range forecasting of regional transportation systems.

Intergovernmental Framework of MPOs

MPOs function in a highly dynamic intergovernmental environment where they are forced to serve three masters: their local membership (composed of representatives of local government, authorities, special districts, and other transportation-related interests), representatives of state government, and federal officials. MPOs are challenged to define their appropriate role in an environment delineated by the complex legal and regulatory standards set by the state and federal government and by the demographic and geographic complexities of their jurisdiction.

Federal legislation provides the parameters under which MPOs exist. Accordingly, as new federal legislation is introduced, MPOs must respond by changing their focus and altering their role to meet the expectations of statutes while maintaining the strategic direction set by the region and the state. Beyond the parameters set by federal influence, the role of MPOs varies greatly from state to state depending on the state's position regarding Dillon's rule. Dillon's rule speaks to the power of local governments, stating that localities possess only those powers that are either expressly granted by the state, fairly implied by the state, or essential to the locality. This rule is applicable to MPOs whose membership is composed of local governments and makes them subject to the direction of the state. In contrast, home rule states tend to afford MPOs more discretion in managing their affairs. Accordingly, there is a great deal of variation from state to state in terms of the functions an MPO is empowered to perform and the degree of state domination of the priority-setting and planning management processes.

The intergovernmental complexity of a region at the local level also greatly influences the dynamics of the metropolitan planning process. MPOs must attempt to develop a coherent and comprehensive planning process in an environment of multiple jurisdictions, each with independent resources, different laws and policies, and generally distinct planning objectives. This complexity is compounded when MPOs cross state lines. Beyond merely dealing with the multiplicity of local actors comprising a typical MPO, interstate MPOs must deal with multiple sets of state laws; different budgetary and fiscal environments; and multiple state transportation departments, state legislatures, and governors (Menchik 1987). This makes decision making and joint planning even more difficult. The priority-setting process established among these multiple stakeholders in part defines the intergovernmental environment in which MPOs function.

Priority Setting in the Metropolitan Planning Process

MPOs have a daunting task. They must develop and maintain a comprehensive planning process that reflects areawide priorities for transportation planning while meeting the requirements set by the state and federal governments. Local planning priorities must be balanced to determine regional priorities and then reconciled with state and federal requirements. The more actors involved with an MPO, the more difficult the task of building a consensus among members. This task is even more challenging when a state line divides the metropolitan region. The priority-setting process is a critical dimension in understanding the dynamics and role of an MPO.

MPOs in the 1960s and 1970s: Continuing, Comprehensive, and Cooperative Planning

The decades of the 1960s and 1970s were marked by the growing recognition that the transportation planning process must be changed to respond to the emerging needs of metropolitan areas. Bauer (1978) observed that although the Highway Act of 1944 attempted to develop an intergovernmental response to the pressing needs of metropolitan areas, local governments were still not considered equal partners in the solution: “Cooperative intergovernmental relations formed its cornerstone as implementation was shared by the federal, state, and local governments. . . . If there was a weakness in the development of the highway program, it was the failure to involve cities formally in the state-federal partnership (60).” Historically, cities were not empowered to face the challenges of integrating internal transportation systems with those of other urban jurisdictions, their sprawling suburbs, or outside state and federal systems. This historical legacy was the impetus behind the creation of the MPO.

Statutory Mandates and Local Participation: Initiation of the 3Cs

In an attempt to bolster the role of localities in the transportation planning process, the Federal Highway Act of 1962 initiated the “3C” metropolitan highway planning process (i.e., continuing, comprehensive, and cooperative planning) for urbanized areas with a population of at least 50,000. Although urban transportation planning was a primary focus of the act, the act stopped short of providing an institutional role for localities in the planning process (Meyer and Miller 1985). Instead, it encouraged the development of comprehensive transportation systems by directing the states to develop a long-range highway plan coordinated with other modes. This was an early recognition of the importance of intermodal connections, albeit centered on the development of unimodal highway systems. The process outlined by the act provided state governments with formal authority over the planning process.

Implementation of 3C Process

Although they fell short of providing a formal institutional role for local governments, the guidelines for implementing the 3C process, promulgated by the U.S. Department of Transportation (U.S. DOT) in 1973, did develop a standardized planning process for urban areas where local governments played a primary role. The role of local governments in areawide transportation planning continued to gain prominence under the Urban Mass Transportation Act of 1964, which encouraged areawide planning of urban mass transportation, and the Housing and Urban Development Act of 1965, which authorized grants for comprehensive planning to regional organizations. The passage of the Intergovernmental Cooperation Act in 1968 represented a formal recognition of the importance of intergovernmental cooperation, including the full participation of local government in planning federally funded projects.

Implications of Circular A-95 on 3C Process

The next step in recognizing the importance of local government in the planning process came in the form of *Circular A-95* issued by the federal Office of Management and Budget in 1969 (Office of Management and Budget 1976). The circular directed the governor of each state to designate lead agencies, one at the state level and one for each metropolitan area, that would be responsible for areawide coordination and hold special clearinghouse and review powers over federal program monies. The intent of this circular was to encourage state and local planning coordination, provide consistency among the various levels of government, and facilitate federal project administration by developing direct contact points with areawide bodies that had regional planning responsibility (LBJ School of Public Affairs 1989).

Birth of MPOs by Federal Mandate

The next step in the development of formal areawide planning organizations at the local level was the Federal-Aid Highway Act of 1973, which made funds available to agencies designated by the state as responsible for the 3C process in a given urban area (Meyer and Miller 1985). Subsequent to this act, in 1975, the Federal Highway Administration (FHWA) and the Urban Mass Transit Administration (UMTA) promulgated a series of joint regulations on urban transportation planning that required, as a precondition for receiving federal transportation aid, that the governor designate an MPO for each urbanized area in the state.

This process was intended not only to provide an institutional venue for local government participation in transportation planning but also to revolutionize the 3C planning process by mandating a regionalized methodology for priority setting and decision making. The U.S. DOT at this stage in the mid-1970s sought to centralize areawide planning and strongly encouraged local and state governments to establish the new MPOs as the designated Circular A-95 federal

aid review agency. Approximately 75 percent of the MPOs at that time were general-purpose regional councils of government that held the Circular A-95 designation (McDowell 1985).

Implications of Centralizing 3C Process Through MPOs

The initiative of the U.S. DOT to centralize the 3C process and vest singular responsibility for areawide planning in MPOs was criticized as “being based on a mistaken notion of appropriateness and efficacy of the ‘bureaucratic centralization’ of choices that are actually matters for local governance” (Menchik 1987, 13). With this level of discretion, MPOs would potentially have the authority to preempt the priority decisions of its member local governments. Bauer (1978) identified the problem as fundamentally structural, concluding that:

Perhaps the alleged failure of the 3-C process and the MPOs to overcome *divided* authority for transportation planning and investment determination is not a failure of the structure itself, but more significantly a failure in understanding our federal political system . . . the political system is not hierarchical but non-centralized, with many semi-autonomous agencies that are legally constituted for specific purposes. Each agency, of course, has its own constituency and its own aspirations and goals for the future (61-62).

The advent of the MPO designation also accompanied a period of ambiguous intergovernmental relationships. The federal government looked to MPOs for a clear and comprehensive set of priorities to coordinate federal programs better. However, the state was unclear of its responsibilities vis-à-vis MPOs under this new system. The MPO, the cornerstone of the new system, had no tradition but now had an institutional identity independent of its member local governments. The notion of a hierarchical planning process emanating from a single point at the federal level, servicing a monolithic areawide government structure, did not reflect the current realities of the intergovernmental environment. In the federal government’s attempt to centralize areawide planning functions in MPOs, the direct role of local governments was somehow lost in the shuffle while the state government’s role remained ambiguous.

Catalyst for Role Definition: Transportation Improvement Plan

The regulations promulgated by the U.S. DOT in September 1975 required the submission by March 30, 1976, of a transportation improvement program (TIP) containing transportation system management (TSM) elements that had to be endorsed by the MPO. This requirement was significant in defining the new role of MPOs in the intergovernmental context, which heretofore had been dominated by the state, as Grant (1977) described: “During this 6-month period, metropolitan planning organizations had to develop and gain acceptance of a strategy for action by state and local constituents, many of whom unhappily perceived that the September regulations threatened their prerogatives and authority” (127).

The MPO, now with its own autonomous status, threatened the authority of its member local governments, which had previously maintained direct access to the decision-making process. Similarly, in being given the responsibility for developing an areawide set of transportation planning priorities, MPOs assumed a responsibility that had previously been the domain of the state. MPOs undertook their expanded mission in an environment that was not initially receptive to their new role.

Nonetheless, the development of the first TIP was instrumental in testing the waters of the new arrangement. Through the experience of operating within the MPO structure, the state and local governments developed a new concept of what their appropriate role should be, developing a greater sense of partnership in which the local governments played a more significant role than they had in the past. The experience with the 3C process and the development of the TIP also demonstrated the limitations and the potential efficacy of the MPO, as Menchik (1987) summarized:

A fair evaluation of the 3-C planning process and MPOs need not undermine the notion of metropolitan highway planning, but it focuses on what planning organizations can and cannot accomplish. They can perform valuable technical and professional functions by providing needed data, projections, and alternative plans. MPOs can serve as intermediaries, and thereby foster agreement among local governments (both elected and transportation officials) as well as facilitate state-local agreement (14).

MPOs were successful in defining a role for themselves as an intermediary between regional local governments and state and federal government. By focusing on providing analytical functions that could be accomplished under this structure, MPOs proved valuable in providing metropolitan areawide transportation planning.

Original Intergovernmental Financial Arrangements

Prior to 1973, federal funds for specific local transportation projects were allocated directly to the localities. As Van Horn (1993) pointed out: “During the 1960s, new domestic policies were created through federally funded categorical aid programs. The assistance often bypassed state governments and went directly to local governments or community organizations . . . which was consistent with the underlying distrust of state government capacity and intentions” (6). In fact, so much transportation funding was flowing directly to localities that a severe lack of state-local coordination on projects receiving federal funding resulted. To reconcile this problem, *Circular A-95* specifically required that federal agencies notify governors of all federal awards to their state.

The Federal-Aid Highway Act of 1973 paved the way for separate funding to regional agencies designated by the state as the lead for the 3C process. This set the precedent for separately funding the planning activities of MPOs once they were established 2 years later. In the initial phases, MPOs were treated equally, each receiving a proportionate share of the federal

planning money. The practice of federal transfers earmarked for the planning activities of MPOs continued until the early 1980s and the onset of Reagan's "New Federalism."

Priority Setting in the 1960-70s: Defining a New System

Prior to 1973, regional coordination was largely the domain of the state. Individual municipalities could form their own priorities for building roads but could not easily execute them without the financial backing of the state. Localities enhanced their span of control through applying directly for federal funding of their transportation projects. Nonetheless, in 1972, 42 percent of the MPOs were under the thumb of the state department of transportation (DOT) or highways, and their work programs were staffed by state employees (McDowell 1985).

Most of the transportation planning that occurred at this level was unimodal, relating to highways. The concept of multimodal planning was still in its infancy. Nonetheless, the notion of the TIP ushered in with the 1975 U.S. DOT regulations that created MPOs provided a framework within which the local governments could operate in a cross-modal framework. Grant (1977) saw the primary role of the MPO as being "to develop a political and institutional strategy and process that will allow all MPO participants at the state and local levels to engage in areawide TSM planning without losing their responsibilities and authority" (127). Moreover, effective MPOs were comprehensive in their outlook, reconciling citizen preferences with the short- and long-term broad effects of regional priorities and goals (Menchik 1987).

The era of the 1960s and 1970s presented significant challenges to the newly formed MPOs in determining regional priorities. MPOs lacked the institutional foundation of other layers of government. MPOs emerged during this period as peacemakers and conciliators, an attitude reflected by Grant (1977):

Developing and implementing effective transportation system management elements in urban transportation plans will depend greatly on the ability of the metropolitan planning organization to develop an acceptable institutional framework for cooperation and joint action that does not detract from the basic responsibility and authority of participating local and state agencies. . . . Because of their concerns with a wide range of functional and social service goals and needs, MPOs can recommend trade-offs among competing objectives (127).

With the advent of MPOs, the capability existed to balance the priorities of the multiple local governments and the state and federal actors in a single comprehensive planning framework.

MPOs in the 1980s: The Devolution Revolution

The election of Ronald Reagan in 1980 represented a major turning point in the history of MPOs. Reagan's New Federalism promised to revitalize lower levels of government by empowering the states to take on a greater share of service delivery. According to Shannon

(cited in Van Horn 1993), Reagan's call for federalism meant that "the central government [would] speak to the states and [would] let the states speak to the cities" (4). Reagan's call for devolution, on its face, should have been a windfall for MPOs. Instead, in the process of empowering state government, federal aid for metropolitan planning declined dramatically. Whereas in 1979 there were 39 federal programs supporting regional planning, by 1985 the Reagan cuts had spared only one. These cuts were also accompanied by deregulation, which undid three principal requirements that encouraged regionalism:

1. Federal regulations no longer required that MPOs be areawide.
2. Formal interagency agreements delineating the roles of the different groups involved in the unified planning work program were no longer required.
3. Federal provisions for interagency coordination of metropolitan planning resources under *OMB Circular A-95* were dropped (McDowell 1985).

Deregulation greatly reduced federal impetus for regional planning and severely truncated the role of MPOs in the 1980s, causing them to lose much of their planning capability built up during the 1970s. During this era of "fend-for-yourself federalism," MPOs were given a simple choice: change or lose the funding opportunities available to them.

Statutory Mandates and Authority in the 1980s: Reduced Federal Role

A direct consequence of the federal withdrawal was the dramatic reduction in the general-purpose regional council type of MPO that was favored by the federal planning programs. Although the number of MPOs increased from 249 to 258 from 1976 to 1980, the number of MPOs of this type dropped from 75 to 55 percent during the same period (McDowell 1985).

Implications of Devolution on Role of MPOs

This era of devolution had a significant impact on the level of discretion afforded MPOs and their relative degree of areawide leadership. A survey by the Advisory Committee on Intergovernmental Relations (ACIR) found that the MPOs of the 1980s were largely relegated to serving as compilers and budget managers for regional projects. MPOs' limitations in providing areawide leadership are demonstrated by the form of the typical TIP submitted by MPOs at the time, which simply documented the current projects being conducted by the members. Further evidence of MPOs' reduced leadership role is that a 1985 survey indicated that 75 percent of respondents would reject the idea of giving MPOs more authority. The only case for which a majority of respondents were favorable to the notion of enhanced authority was where the MPO and the city or county shared coterminous boundaries. McDowell (1985) maintained that this "probably says something about political legitimacy; that is, perhaps regional council and freestanding MPOs are not seen as legitimate parts of the political landscape" (43).

The ACIR survey also concluded that local officials prefer the use of informal coordination techniques, such as temporary task forces, ad hoc meetings, committees, and shared staff, as opposed to a formal restructuring of MPOs. Any call for restructuring the metropolitan planning process would, therefore, have to come from outside, as McDowell (1985) reiterated: “The conclusion is that any substantial strengthening of metropolitan transportation powers probably would have to come from outside, not from the region itself. At present, that means that it would have to come from the state legislatures because federal influence is rapidly receding” (43).

This sentiment among local officials paradoxically paralleled the adoption of a joint FHWA-UMTA interim final rule in 1981 that provided states and local governments with enhanced discretion in determining the appropriate MPO structure. This directive signaled the federal government’s devolution of authority to both state and local government.

Implications of Deregulation on State-Local Relationship

The Reagan deregulation initiatives also resulted in a sweeping reduction in the planning and programming requirements for 95 new urbanized areas designated by the 1980 census. Most notably, the final joint rulemaking between the FHWA and the UMTA simplified the process further by eliminating the submission requirement of the TSM plan, which had been seen as a vehicle for intergovernmental decision making. Like most changes that came out of the New Federalism campaign, these rules favored the role of the states in the decision-making process, functionally increasing their role in directing urban transportation planning. This “sorting out” of responsibilities resulted in a rise in stature for state governments in transportation planning, but a corresponding reduction in the support for local and intergovernmental coordination. This trend is observed clearly in the fiscal policy that accompanied the changes.

Financial Arrangements in the 1980s: Impact of Devolution

The New Federalism devolution also had implications for the fiscal relationships between levels of government. During the 1960s and 1970s, many local governments received federal highway funding directly. The Reagan reforms, however, emphasized the state’s role as a clearinghouse for these funds. Consequently, direct funding to local governments and MPOs was drastically reduced, although local involvement in transportation projects was substantive and increasing, as Menchik (1987) observed:

Local governments have not been receiving federal highway funding directly under the major federal aid programs, neither is there a pass-through requirement as such. Many states, however, do transfer federal funds to local governments, often by state law, and federal law has supported such arrangements, although it has not guaranteed them. Federal highway grants are awarded to state transportation agencies almost exclusively. Nevertheless, the role of local governments in federally aided highways, although often indirect, is now pervasive (13).

Coupled with this redirection of funds was a general reduction in funding levels for metropolitan planning. MPOs could no longer count on traditional sources of funding for planning, with significant sources evaporating, such as the termination of the Section 701 comprehensive planning program (sponsored by the U.S. Department of Housing and Urban Development) and the Section 208 wastewater treatment planning (sponsored by the Environmental Protection Agency [EPA]). These two federal grant programs had substantially backed the comprehensive planning studies done by the regional-council type of MPOs (McDowell 1985). Although Congress provided additional funding earmarked specifically for transportation planning, these funds were largely absorbed by the 70 new MPOs designated by the 1980 census. This situation was compounded by the fact that MPOs were placed into two classifications by population, and the scarce funds were directed to larger MPOs (McDowell and Edner 1993). This meant that the smaller MPOs which were already established at the time of the 1980 census were likely to get little federal money.

Moreover, the only significant new revenue source, the Section 9 block grant from the Surface Transportation Assistance Act of 1982, was directly allocated by formula to local transit authorities, bypassing MPOs. Although a portion of the funds could be transferred back to the MPO, the transit authority would specify the function for which the funds would be used, a function that would benefit the authority: the funds would not be used to support general comprehensive planning (McDowell 1985).

The cumulative effect of changes in federal fund allocation, the reduction of traditional revenue sources, and the increase in the number of MPOs placed MPOs in the position of having to seek substitute revenues. Many secured revenue from state and local governments, but it generally came with strings attached. Instead of regional planning, these funds were to be used to provide specific services to local and state government, such as data collection, preparation of local plans under contract, and joint purchasing. Therefore, the regional agenda in the 1980s was dominated by technical services, not comprehensive planning. This unusual mix of purposes had negative implications on regional priority setting.

Priority Setting in the 1980s: "Sorting Out" and "Tables Turned"

In effect, the tables had been turned on MPOs. The Reagan administration's efforts to enhance the stature of state governments eclipsed MPOs in the process. Whereas in the 1970s MPOs received all federal planning money and allocated the funds to localities and transit authorities, now they were in the position of having to request revenues from those to whom they had previously allocated funds. With the influx of new planning money being directly allocated to transit agencies, MPOs were forced to cater to the specific needs of the transit authorities to get a piece of the pie.

MPOs in the 1980s were at their nadir. Federal funds flowed around them, to the state government or to the local transit authorities. Deregulation had stripped away some of their explicit responsibilities, such as the submission requirement for a regional TSM plan. These

changes in the 1980s left MPOs with little leverage. The fiscal pressures of the situation had redirected their efforts away from areawide planning and placed more authority in the hands of state governments and local transit authorities.

Deregulation and the politics of the budget process resulted in mounting pressure for MPOs to decentralize. The federal requirement for areawide planning under the Circular A-95 process was rescinded and no longer served to bind municipal governments together. The ACIR study concluded that “the strong desire for greater areawide leadership is not matched by any great desire for further concentration of power at the metropolitan level” (McDowell 1985, 43). Although local governments supported the goals of areawide planning, they were not as willing to vest authority in MPOs to conduct the planning process.

The ACIR also identified a distinct split between the needs of the central city and the suburbs. The demographic trends toward the increasing suburbanization of metropolitan areas fueled the fire for decentralization of MPOs. Local jurisdictions wanted greater autonomy in planning their economic growth and development. All of these factors resulted in a highly fragmented areawide planning process, with little integration of actors.

In this environment, there was a growing recognition that a new system was required that not only created a common institutional framework for planning but also considered all modes of transportation. The fragmented process of the past had attempted to tackle unimodal highway planning and, in the 1980s, integrate highway planning and transit planning. This new system would consider all passenger and freight modes of transportation and provide a logical basis for planning. This system could be implemented only under a full-blown areawide planning scheme, such as the one proposed under ISTEA.

Evolving Role of MPOs in the 1990s: Challenge of Intermodal Planning

In an effort to reverse the trend toward fragmentation in the metropolitan planning process, Congress passed ISTEA. This legislation brought about a sweeping reform of the transportation planning process, redefining the intergovernmental relationships among the three layers of governments and among these actors and the MPO. Robert Kochanowski (1993), Executive Director of the Southwest Pennsylvania Regional Planning Commission, asserted that: “Democracy has been given a new day under ISTEA. The MPOs are both blessed and cursed with the flexible funding, decision-making authority and responsibility. Many MPOs are shaky, bound together only by good will. We should nurture and strengthen these MPOs and not allow them to be destroyed before they can perform under ISTEA” (3).

MPOs were provided with new institutional capabilities but at the same time were asked to perform an expanded mission. Whereas the planning systems of the past emphasized a single mode (e.g., highway or commuter rail), ISTEA emphasized the concept of intermodal planning. Mead (1993) of the General Accounting Office explained: “Rather than focusing on only one

form of transportation at a time, ISTEA encourages an intermodal approach to dealing with transportation issues. States and localities are expected to consider all modes of transportation in developing transportation plans” (9).

This new system was a stellar leap for MPOs, especially having just emerged from a period in which their capabilities, resources, and status had been severely limited. Beyond the organizational challenges MPOs faced, they had to contend with the requirements of a completely new and encompassing planning process.

New Planning Paradigm: Intermodalism

The principles behind intermodal planning capture several dimensions not considered by the previous planning systems, namely:

- connectivity among all transportation systems, from aeronautics to bicycle and pedestrian
- efficacy of the linkages between modes and the infrastructure to support these linkages
- integration of all transportation assets, whether publicly or privately held
- efficiency of the overall trip from point to point, for passenger and freight
- use of transportation resources by passenger users versus freight users.

These factors effectively represent a paradigm shift for today’s urban planners. Whereas before, planners may have considered only the impact of a highway project, now they are responsible for considering the intermodal impacts of the investment. Nieman (1988), Vice President of the American Domestic Company, described the problems encountered with the current infrastructure and how it must be planned with intermodalism in mind:

The connectivity or linkage between the modes is heavily based on truck and highway technology. Often the operations are wholly within a private facility such as a rail or port terminal. Very often, the public highways are necessary in order to make the connection between modes . . . the linkage aspects of this business are significant. They are management intensive and they have not been designed with good intermodal handling characteristics in mind (90).

By means of the ISTEA legislation, the purview of the metropolitan planner was extended to include all transportation systems, public and private. Planners were also asked to develop methodologies to evaluate plans for intermodal connections and modal efficiency. In most cases, today’s metropolitan planner has had little experience with these methodologies.

Retooling MPOs to Conform to the New Paradigm

To bridge the gap between past planning experience and the new goals of intermodal planning, one must first understand how wide this gap is. There are a number of barriers to intermodal planning, which will be detailed in the next section. The most significant barrier, however, is understanding the degree to which intermodalism represents a major paradigm shift for the profession. Dahms (1993), head of the Pittsburgh MPO and a prominent figure in the metropolitan planning community, commented on this dilemma, stating that the ISTEA legislation outlines the

congressional interest in serving a world market. . . . A metropolitan transportation planning process created by the Federal Aid Highway Act of 1965, and amended several times since by transportation and environmental laws, has created a regional framework for making transportation decisions in the context of other community values. A state, national, or work context for making such trade-offs, however, does not appear to exist (130-131).

Indeed, MPOs may not now be equipped with the resources to tackle the job of intermodal planning. In a 1992 survey, only 44 percent of MPOs stated that their long-range plan reflects the requirements of the new ISTEA legislation; however, 86 percent stated they were in the process of updating or revising it. Surprisingly, the same survey indicated that only 33 percent of MPOs felt they had existing programs or plans that could provide input into a statewide intermodal management system plan (American Association of State Highway and Transportation Officials [AASHTO] 1992).

The critical relationship that must be relied upon to build an intermodal planning capability is between MPOs and their respective state DOT. State DOTs have program and financial management knowledge that MPOs do not currently have. Under ISTEA, these MPOs will require these skills as they address more complex intermodal issues. The information possessed by state DOTs must be shared for MPOs to become meaningful partners in the process. Indeed, Liburdi (1992) of the Port Authority of New York and New Jersey alluded to a closer relationship between MPOs and state DOTs in confronting the challenges of ISTEA: “More change than can be realized under existing organizational structures is proposed. Those who are designated as agents of change in this act, particularly state DOTs and MPOs, need to develop a firm understanding of the dynamic interplay between transportation and economic growth and security” (58). Through a cooperative relationship, MPOs and state DOTs can build the capabilities to overcome the challenges of intermodal planning.

Institutional/Statutory Context of Intermodal Planning Under ISTEA

Throughout the 1980s, most MPOs experienced a dramatic decline in their planning capacity. With the adoption of ISTEA, these same MPOs must now attempt to build their capability to meet the challenges of comprehensive intermodal planning. ISTEA builds upon the 3C tradition of the past by legislating compliance with particular planning objectives previously required only through regulation, specifying an established planning process, a methodology for

project selection, and the submission of TIPs. The TIP mandated by ISTEA is unlike anything required in the past since it requires MPOs, in conjunction with state officials and local public transit operators, to develop a 20-year comprehensive plan, which includes public participation in plan development and approval by the governor. MPOs in EPA air quality non-attainment areas would be required to update the plan every 3 years, and those in attainment areas every 5 years. The TIP, in conjunction with MPOs' current Metropolitan Transportation Plan, represents the most comprehensive multimodal transportation planning requirement ever mandated by law.

Intergovernmental Cooperation in Areawide Intermodal Planning

Comprehensive intermodal planning is impeded in metropolitan areas in which there are multiple MPOs. The decentralization of the metropolitan planning process makes it difficult to consider intermodal transportation systems and air quality standards as a whole and develop an areawide consensus on the near- and long-term plans of the region. There are multiple MPOs in at least 13 metropolitan areas. All but two of these areas are designated by the EPA as air quality non-attainment areas, which raises the need for interlocal coordination.

ISTEA does not provide a structural solution to deal with these problems and simply requires MPOs to "consult with the other metropolitan planning organizations designated for such areas and the state in the coordination of plans and programs required." This jurisdictional problem is compounded by the fact that 9 of these 13 areas are also multistate. In this case, ISTEA calls on the Secretary of U.S. DOT to establish requirements to "encourage governors and the metropolitan planning organizations with responsibility for a portion of a multi-state metropolitan area to provide coordinated transportation planning for the entire metropolitan area." To deal with the additional complexities of large metropolitan areas, the act provides for a special designation of *Transportation Management Area (TMA)*. A TMA is defined as an urbanized area with a population of more than 200,000 or a smaller urbanized area for which the governor of the state and the MPO jointly request that designation. This designation provides a more formal mechanism for additional participation in the areawide planning process. Congress also provided its consent for states to form interstate compacts and agreements with other states to provide for coordinated transportation planning in a metropolitan area. Although MPOs located in only one state benefit from the clear direction of one governor and one state DOT, these compacts may be useful in clarifying relationships where metropolitan areas cross state lines.

Key Actors in the Intermodal Planning Process

ISTEA provides for the inclusion of a number of key actors in the intermodal planning process. The TMA designation requires that several new members be added to the process, including elected officials from the government jurisdictions being included in the TMA; operators of major modes of transportation in the TMA; representatives of the local transit, airport, port, and toll road authorities; and related state officials. Beyond the inclusion of these

additional representatives in the MPO, the act also provides for public participation in the planning process.

ISTEA also defines an expanded role for the state governor and legislature. ISTEA stipulates that the governor be involved with statewide decision making regarding the plans required by the act. For example, the governor establishes the 20-year growth area around existing urbanized areas, determines whether multiple MPOs are needed in high-density regions, redesignates MPOs to change their jurisdiction and membership, and coordinates multiple MPOs within multistate metropolitan areas (McDowell and Edner 1993). With this formal decision-making discretion, the governor wields a great deal of political power over MPOs. The only area in which the governor and MPOs seemingly share power is in their joint authority to extend the MPO planning area to subsume the entire metropolitan statistical area (MSA) or the consolidated metropolitan statistical area (CMSA) as defined by the U.S. Census Bureau. Although seemingly technical in nature, these decisions set the strategic direction for the planning process.

ISTEA also provides for the possibility that MPOs be designated or redesignated by the state legislature through appropriate state or local laws. These provisions allow the legislature to establish MPOs and set the boundaries. The legislature would naturally be involved in approving state matching funds, approving state transportation priorities, and reappropriating federal aid. State legislatures would also typically approve any state compacts formed with neighboring states.

The implication of these new institutional relationships among the governor, the state legislature, and MPOs is that all of the players must coordinate their activities to remain effective. ISTEA made membership in an MPO a matter of political negotiation, giving the governor and state legislature added influence over the institution with their new power to initiate a redesignation of an MPO area. Indeed, ISTEA builds in mutual veto authority held by the governor and the MPO.

Financial Arrangements Under ISTEA

ISTEA offers states and local government the unprecedented opportunity to use federal funds flexibly to undertake a wide array of projects, from highways to mass transit. At this point, the flexibility provided by the legislation has not been fully utilized. Primary funding for intermodal transportation planning is provided to large MPO regions (with a population of 200,000 or more) through funds set aside by the surface transportation block grant by formula. The obligation of project funds will occur through a project selection process conducted by the MPO region, as defined in the legislation. Large MPOs in air quality non-attainment areas may compete for congestion mitigation and air quality improvement funds, but their project selection discretion will be constrained by the goals to improve air quality (McDowell and Edner 1993).

ISTEA formally ties financial management to the project planning process. The legislation mandates that the long-range plan and the TIP be financially constrained. Whereas

historically, long-range plans typically amounted to a prioritized wish list with no specific financial constraints or means test, ISTEA mandates that these plans consider expected costs and revenue. This requirement will force each MPO to introduce a form of financial analysis that reviews the tradeoffs of alternative options. This requirement, when coupled with revenue and budget estimates, will facilitate the development of a full-blown project budget concept.

The TIP projects will be arrayed in priority order for each year by MPOs. This leaves the door open for the U.S. DOT to put in place a competitive process whereby the localities in an MPO will compete for resources based on the quality of their plans. Localities have expressed their preference for a suballocation scheme whereby federal grant monies are programmed for each accepted request. MPOs favor suballocation because it provides a stable base to program against. A standard financially constrained planning process will bring the fiscal tradeoffs of alternative transportation options to the forefront.

Although the sizable increase in funding provided by ISTEA may offset the augmented planning requirements of the act, the greatest fiscal challenge in terms of planning is to replace the lost capacity of the 1980s.

Priority Setting Under ISTEA: Intermodal Choices/Constrained Options

The adoption of ISTEA represented a complete overhaul in the federal priorities for transportation planning. Not only were MPOs expected to meet the current needs of the modes they previously tried to support, namely highways and public transit, they were expected to conform to a number of standards for planning, involving everything from community action goals to project priority establishment. The transportation planning decision-making process changed in two fundamental ways with the adoption of ISTEA: (1) the criteria used to make planning decisions became more complex, forcing consideration of several planning dimensions previously not considered; and (2) transportation planning was mandated to include new constituencies.

ISTEA explicitly lists the criteria to be applied in developing transportation plans and programs for both MPOs and the state. MPOs are to follow the 15 specific guidelines outlined in ISTEA, as well as a 16th factor added in 1995, recreational and tourist travel, in forming its plans. The 15 planning factors are listed in Table 2.

These prescriptions for MPOs also include requirements to implement life-cycle costing in the design and engineering of transportation infrastructure projects and a general call to consider “the overall social, economic, energy and environmental effects of transportation decisions.” ISTEA also highlights intermodal efficiency and lists as its 11th requirement that MPOs employ “methods to enhance the efficient movement of freight.” These detailed criteria fundamentally changed the local priority-setting process in place prior to the adoption of the act. Not surprisingly, the states were provided with a similar list of 20 specific prescriptions for transportation planning, which included the responsibility to facilitate the “transportation needs

TABLE 2. ISTEA PRIORITIES FOR MPO PLANNING

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1. Preservation of existing transportation facilities and, where practical, ways to meet transportation needs by using existing transportation facilities more efficiently.
 2. The consistency of transportation planning with applicable federal, state, and local energy conservation programs, goals, and objectives.
 3. The need to relieve congestion and prevent congestion from occurring where it does not yet occur.
 4. The likely effect of transportation policy decisions on land use and development and the consistency of transportation plans and programs with the provisions of all applicable short and long-term land use and development plans.
 5. The programming of expenditure on transportation enhancement activities as required in Section 133.
 6. The effects of all transportation projects to be undertaken within the metropolitan area, without regard to whether such projects are publicly funded.
 7. International border crossings and access to ports, airports, intermodal transportation facilities, major freight distribution routes, national parks, recreation areas, monuments and historic sites, and military installations.
 8. The need for connectivity of roads within the metropolitan area with roads outside the metropolitan area.
 9. The transportation needs identified through the use of the management systems required by Section 303 of this title.
 10. Preservation of rights-of-way for construction of future transportation projects, including identification of unused rights-of-way which may be needed for future transportation corridors and identification of those corridors for which action is most needed to prevent destruction or loss.
 11. Methods to enhance the efficient movement of freight.
 12. The use of life-cycle costs in the design and engineering of bridges, tunnels, or pavement.
 13. The overall social, economic, energy, and environmental effects of transportation decisions.
 14. Methods to expand and enhance transit services and to increase the use of such services.
 15. Capital investments that would result in increased security in transit systems.
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of nonmetropolitan areas through a process that includes consultation with local elected officials with jurisdiction over transportation.” The overall message to MPOs and the states was to overhaul their planning process to include intermodalism substantively.

This intermodal focus is even more clearly observed in the federal requirements for the development of the TIP. Federal transportation officials have made it clear that they expect to see improvements in MPOs’ ability to deal with modal tradeoff issues. Consideration of

multimodal tradeoffs requires MPOs to develop new methodologies and evaluation methods for project selection (Transportation Research Board [TRB] 1993a). While these methodologies are being developed, billions of dollars are being spent on transportation improvements. Mead (1993) of the General Accounting Office, in testimony to Congress, recommended that the U.S. DOT develop cross-modal comparison criteria to assist MPOs in modifying their project selection process: “Such criteria have not yet been developed even though the state and local officials we talked to continue to believe that such criteria are necessary for making investment decisions” (9). Cross-modal comparison and decision making represent an ongoing challenge for MPOs in adjusting their planning process.

The other challenge is the number of new participants ISTEA includes in the planning process. ISTEA stresses the involvement of the community in transportation planning decisions and requires that MPOs provide citizens, public agencies, representatives of transportation agency employees, and private providers of transportation services *reasonable* opportunity to comment on any proposed TIP. A symposium sponsored by the TRB entitled *Moving Urban America* highlighted the dilemma facing MPOs in building partnerships with these new players while making cross-modal tradeoffs:

[The participants] addressed the question of how partnerships will develop priorities and make modal trade-offs. The nature of MPOs encourages conservative, consensus-based methods and strategies. . . . The task of developing multimodal project selection criteria to foster fair competition for funding is a major one. . . . New relationship and procedures must be developed to address the setting of multimodal priorities (TRB 1993a, 59).

ISTEA empowers MPOs to consider all transportation modes, systems, and assets in making these tradeoff decisions. These systems may be held in either the public or private sector. The goals of areawide planning require MPOs to build new relationships with representatives of the private sector in order to include their plans for development in the overall TIP process. The call for improved methodologies for modal tradeoffs, therefore, has implications not only for MPOs’ priority-setting and project selection process but also for how the relationships between cross-modal partners are defined.

CONCLUSIONS

ISTEA provided definition to the areawide planning process, integrating MPO plans into metropolitan plans and metropolitan plans into statewide plans. By adopting a multimodal vision for transportation planning, the legislation has served to widen the purview of MPOs to include all modes of transportation—public and private—and opened the door to the development of new partnerships, with both the private sector and citizens at large. Despite these new responsibilities, however, ISTEA has proven to be somewhat of a mixed blessing. Changes in the federal policy environment have historically created problematic institutional situations for administrative agencies such as MPOs. The original TIP requirement created a significant challenge for MPOs because they lacked a defined institutional structure in the 1970s, and the federal

transportation legislation of the 1980s eviscerated the planning capabilities of MPOs by severely cutting the funding opportunities for planning. Likewise, ISTEA has caused similar administrative problems. After the enactment of ISTEA, the consequences of MPOs' reduced planning capacity were fully realized, as the weakened MPOs struggled to meet the new mandates of intermodalism. From the outset, the perception of ISTEA as a mixed blessing was embodied in the mixed feelings of transportation policy experts toward the legislation. McDowell and Edner (1993) warned:

On its surface, the ISTEA appears to have radically revamped the transportation planning process. The emphasis on flexibility, intermodalism, public participation, air quality, greater comprehensiveness, and integration of long range planning and programming provide an overall image of "doing it the right way." Behind this facade, however, lurks a major challenge in policy implementation (70).

Indeed, as this study showed, "doing it the right way" has proven to be a challenge for transportation planners. Even as we move toward the next phase of transportation legislation, planners continue to struggle to increase their capabilities to meet better the mandates of ISTEA. In looking at the changing role of MPOs in the metropolitan planning process over time, however, one can take away a valuable lesson that can be generalized to cover all organizations that are involved in transportation planning. In light of the experience of MPOs, and with the reauthorization of ISTEA less than 1 year away, it seems vitally important that MPOs and other planning organizations take a proactive approach to meeting the inevitable mandate changes that will occur as a result of NEXTEA. Although no one knows exactly what changes will come out of this new legislation, it is clear that the legislation will remain within the framework of intermodalism.

RECOMMENDATIONS

Forget Not About Sorting Out

ISTEA made stellar leaps in redefining the intergovernmental roles of actors in the metropolitan planning process. As planning institutions become comfortable with the implementation of ISTEA, major intergovernmental actors will develop more clearly defined roles. VDOT should continually assess the role of intergovernmental actors and take corrective action in areas where lines of responsibility and accountability are ambiguous. Future research that investigates state transportation planning processes to understand the roles, responsibilities, and interaction of the various planning actors within states, therefore, may prove fruitful in facilitating the transition to NEXTEA.

Rebuild MPO Planning Capabilities

Many of the planning capabilities of MPOs were lost in the 1980s. Although a sizable amount of additional funding was authorized by ISTEA to aid in improving these capabilities, the legislation also came attached with a number of new responsibilities and requirements. These responsibilities presented a serious challenge to increase the knowledge base that has eroded in MPOs. NEXTEA will surely create more of the same challenges. Researchers, however, can help MPOs rebuild these lost planning capabilities. Planning organizations throughout the country are continually experimenting with innovative means of dealing with the mandates of ISTEA in areas of the planning process that range from performance measures, to procedures for conducting major investment studies, to new public involvement processes. Future research should attempt to uncover and document these innovative practices and provide planning organizations with options in handling the day-to-day operations of transportation planning.

Also, funding is a constant dilemma for MPOs. Most funds are targeted to construction projects, with only a small percentage dedicated to areawide planning. MPOs do not have access to alternative revenue sources. One telling survey indicated that although 71 percent of MPOs support dedicating a percentage of the state gas tax revenues for transportation planning, only 10 percent of the states support this notion. By the same token, 81 percent of MPOs stated that they are not interested in providing a percentage of their planning funds for statewide planning (AASHTO 1992). It is clear from these sentiments that the current fiscal relationship between the states and MPOs is a barrier to integrated areawide planning. More research on alternative funding schemes is necessary.

Facilitate Areawide Coordination Among MPOs

The goals of areawide intermodal planning are difficult to realize in metropolitan areas that have multiple MPOs. Unless local administrative structures consolidate the planning function, there is little incentive for these MPOs to integrate their intermodal plans fully. There is also great reluctance on the part of some localities to change the organizational structure of MPOs for fear they may lose their status or a more centralized organization will be less responsive to the local jurisdictions. The inclusion of new players is sometimes facilitated without offering formal membership in MPOs, thereby sidestepping redesignation.

In urban areas where intermodal coordination is necessary, state legislators and governors should look to play a more active role in the redesignation of MPO districts. The new authority provided by ISTEA provides these actors with a certain amount of discretion, which may be used to increase consolidation and coordination on an areawide basis. Since the number of areas requiring a coordinated intermodal strategy in the future is likely to increase, redesignation of MPOs will be an important tool to spark more coordinated areawide planning.

Facilitate Coordination Between MPOs and the State

Although ISTEA specifies the content of both statewide and MPO transportation plans, it does not provide guidance on the process by which these plans are integrated. ISTEA mandates that the state shall develop a long-range transportation plan for all areas of the state but needs only to “consider” coordination with MPO plans. However, ISTEA does stipulate that the state plan be developed “in cooperation with” MPOs and that no transportation project for a metropolitan area may be included in a state TIP that is not included in the metropolitan plan for that area.

Fully integrated state plans are a daunting task. A 1992 survey of state DOTs revealed that 57 percent of the states do not have a statewide plan; of those that do, only 19 percent reflect the requirements of ISTEA. However, 87 percent indicated that they are in the process of updating/revising their statewide plan (AASHTO 1992). Fully integrated statewide plans will be an important stepping stone to realizing the goals of intermodal planning.

Develop Partnerships with New Players

ISTEA opens the door to the potential for partnerships with several new groups, in particular private-sector interests, transportation employee representatives, and the general citizenry. These new relationships provide a unique opportunity to build partnerships with these groups. Since ISTEA requires MPOs to consider private as well as public transportation infrastructure in the planning process, it will be critical for MPOs to interface with the major areawide transportation interests. Cooperative planning and data sharing could result in the public sector taking advantage of the economies presented by private investment in transportation infrastructure. Since so many of the intermodal links, such as truck terminal, port drayage facilities, and rail transfer facilities, are held by the private sector, coordination of intermodal resources with the private sector will be required. Partnerships with the private sector may serve to promote areawide efforts in economic development, which provides yet another area of research that deserves added attention.

In sum, these recommendations and research areas pertain to two federal goals of transportation planning: communication and evaluation. First, all parties who have a stake in the transportation planning process, from shippers and freight carriers to the general public, must find ways to communicate and cooperate successfully to achieve the goals of ISTEA and future pieces of transportation legislation. Also, and perhaps more important, planners cannot achieve the goals of federal legislation if they do not possess the ability to measure the performance of their planning processes, especially in assessing the impact of proposed changes. As Fuller (1992) noted: “Planners cannot be creditable, no matter how well they communicate, if they do not have mastery of, and apply in their practice, appropriate techniques to analyze proposed change” (124). Yet, with future research efforts geared toward these two areas, MPOs and state agencies in charge of transportation planning will gradually come to possess the resources necessary to handle the mandates that future federal legislation may present to them.

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