STATE OF IDAHO
Philip E. Batt, Governor
TRANSPORTATION DEPARTMENT
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September 2, 1998

42647

Mr. Walter Finch
Office of the Secretary, S-3
400 7th Street SW
Room 10126
Washing ton, DC 20590

ATTN: Docket No. OST-98-4146 - / a
Re: TEA-21 Corridor and Borders Program

Dear Mr. Finch:

Please include the attached statement in the public docket established for the subject TEA-2 1 program.

Sincerely,

Charles M. Rountree
Transportation Planning Administrator

Enclosure

STATEMENT OF THE TRANSPORTATION DEPARTMENTS OF IDAHO, MONTANA, SOUTH DAKOTA, NORTH DAKOTA AND WYOMING

Before the
UNITED STATES DEPARTMENT OF TRANSPORTATION
"TEA-21 ONE-DOT Conference"

Regarding

National Corridor Planning and Development And Coordinated Border Infrastructure Programs

Detroit, Michigan
August 27, 1998

"We" (the State transportation departments of Idaho, Montana, North Dakota, South Dakota and Wyoming) appreciate this opportunity to offer our views as to how the U.S. Department of Transportation (DOT) should implement two new highway programs established under the Transportation Equity Act for the Twenty-first Century (TEA-21): the "National Corridor Planning and Development Program" (Section 1118) and the "Coordinated Border Infrastructure Program" (Section 1119).

Investment of Section 1118 and 1119 Funds in Rural States Was Intended by Congress

Congress authorized a record level of funding under TEA-21 - $218 billion dollars over six years for highways, transit, highway safety and rail projects. In doing so, Congress took a number of steps to ensure that a wide range of states and local governments would receive funding from the newly authorized federal programs and projects. While U.S. DOT undoubtedly was given discretion in determining how to allocate these funds, our key point today is that the exercise of that discretion needs to reflect the full range of national needs and interests that Congress pointed to in TEA-21, including the national interest in infrastructure investment in rural states. Congress clearly identified needs in rural states as a part of what Sections 1118 and 1119 were intended to address.

Corridors were identified in rural as well as more urban states. They also specified the need for investment in underutilized border crossings by listing it as one of the criteria for funding allocation,

While we do not question or disagree that there are needs in our nation's metropolitan states that should be addressed, there must also be some investment of these funds in rural states if the overall implementation of these sections is to comport with Congressional intent.

Criteria for Proqram Administration and Allocations

In enacting TEA-21, Congress set many of the criteria to be used by the Secretary of Transportation in administering and allocating funds for these two new programs. Under the corridor program, for example, allocations may be made only for "...high priority corridors identified in section 1105(c)..." of ISTEA and to ". ..any other significant regional or multistate highway corridor..." after consideration of seven other factors. Likewise, for the border infrastructure program, the Secretary can make allocation of funds for facilities, highways and operational improvements that facilitate cross-border vehicle and cargo movements. The allocations must be made on the basis of ten selection criteria, including strategies to increase the use of existing underutilized border crossing facilities and approaches.

Let me turn now our specific suggestions, beginning with how funds should be allocated among the two programs.

Relative Distribution of Funding to the Corridor Planning and Border Infrastructure Proarams

In determining how these funds should be allocated, a threshold consideration for the U.S. DOT is how to allocate funds between Section 1118 and Section 1119 programs. Section 1101(a)(9) of TEA-21 authorizes $140 million for both programs for each of the fiscal years 1999 through 2003. The statute does not, however, specify how much of the authorized amount must be spent in one program versus the other.

There are less than twenty states bordering Canada or Mexico, including three of our five states (North Dakota, Montana and Idaho). There are undoubtedly border crossing facilities and programs throughout these states that are in need of funding. By way of comparison, however, high priority corridors have been designated in over forty states and additional ones could be designated by the Secretary in the future. Moreover, the corridor program covers both international and regional trade needs in the United States. Consequently, the funding needs for these corridors are undoubtedly larger than those of the border facilities and are distributed over a much larger portion of the country.

The Transportation Departments of Idaho, Montana, North Dakota, South Dakota and Wyoming believe that substantially more than 50% of the Section 1101(a)(9) funds should be directed into the National Corridor Planning and Development Program. We make this recommendation for several reasons. First, as just explained, compared to border facilities, the overall needs of corridors are greater and the corridors are more widely distributed around the country, even though the termini of many of these corridors are at national borders.

Secondly, it should be recognized that many issues involved in reducing delay at the border crossings are caused by institutional complexity. By this we mean that there is not a single mission among the many agencies which have interacting roles and responsibilities at those crossings. For example, in Montana there are ten separate agencies involved at the state's principal border crossing with Canada. They include: the U.S. and Canadian Customs, U.S. and Canadian Immigration, the U.S. General Services Administration and its Canadian equivalent, Transport Canada, Alberta Transportation and Utilities, the Federal Highway Administration and the Montana Department of Transportation. In addition to the array of different agency missions, border management is further complicated by practices of private sector brokerage houses. In the FHWA's assessment of border crossings, pursuant to Sections 1089 and 6015 of ISTEA, several common institutional barriers of border crossings were pointed out, including the following:

- Inspection agency staffing shortages often lead to excessive waiting time at crossings,
- Facilities planning for major border crossings is fragmented and inadequate, and
- Inadequate or incomplete paperwork accompanying cross-border shipments is common and constitutes another source of delay.

These institutional issues make clear that border crossing problems cannot be solved even largely, much less entirely, through infrastructure investment alone. Much can also be accomplished through improved coordination between agencies. This argues for reserving a substantial majority of the combined Section 1118 and 1119 funds for infrastructure investment on the high priority corridors where infrastructure improvements can truly increase international trade efficiency and safety and also further economic development.

Selection Criteria for Distribution of Section 1118 Funds

For the funds allocated under Section 1118, which should be substantially more than 50% of the $140 million annual total, it is most important that the final approach adopted reflect Congressional recognition that needs are nationwide, not concentrated in a few areas. Accordingly, we strongly urge the US. DOT to provide some investment to every state with a high priority corridor designated by Congress. These corridors were specifically identified by Congress as being of national significance and, as such, should be provided with project funding.

We are not recommending any specific allocation or formula, nor are we saying that each state with a part of a Congressionally designated corridor should receive funding each year. What we are saying is that the process of evaluating the relative merits of all the various corridors is complex. While the Congress left it to U.S. DOT to make specific determinations, Congress also established parameters by designating specific corridors in Section 1105(c) of ISTEA and in 1995 and 1998 amendments to Section 1105(c). To be listed the proponents of a corridor had to persuade Congress that the route was of national significance. Regardless of what criteria or factors U.S. DOT chooses to emphasize, we believe that the U.S. DOT would not be exercising proper discretion within the parameters set by Congress unless, over the life of TEA-21, at least some funding were allocated to each Congressionally named corridor, and in a manner so that some funds are allocated to each state containing a portion of that corridor. This approach leaves U.S. DOT with considerable discretion but would ensure that every corridor and state that Congress thought important enough to designate would receive some support,

We also suggest that the early investment under this program (i.e., the first one or two years) emphasize the Congressionally designated corridors. It may take a considerable amount of time to designate additional corridors administratively. Until such corridors are designated, only the statutorily named corridors are eligible. Addressing these needs is important and should not be delayed. The surest way to make those investments promptly, particularly in FY 1999, is to focus funding on the Congressionally designated corridors while the agency is considering naming additional corridors.

Selection Criteria for Distribution of Section 1119 Funds

Based simply upon criteria such as traffic volumes and value of cargo, there are several border crossings on the Canadian and Mexican borders which dominate in terms of international trade with our neighbors. The selection criteria chosen by Congress for allocation of Border Infrastructure program funds in Section 11 19, however, are much broader. Among those selection criteria is the criterion "strategies to increase the use of existing, underutilized border crossing facilities and approaches." This specific criterion is important for two reasons. First, the improvement of border crossings in rural areas is critical to the economic development of those areas. Inadequate border crossing facilities and highways leading to those facilities result in the diversion of commercial traffic to different routes and the subsequent loss of revenues and economic growth in the bypassed area. A second benefit of investment in currently underutilized border crossings is the potential for diversion of traffic away from crossings that are being used too heavily. Some of the crossings with high use levels are experiencing traffic congestion, which is one of the problems this program was created to address. While we recognize that some of these funds will be invested in the congested, high-volume border areas, development of underutilized crossings in rural areas also will help to alleviate traffic congestion by encouraging use of different crossings. The U.S. DOT should provide funding to rural areas for smaller, underutilized border crossings as a part of the complete development of our trade system with Canada and Mexico. Investment in northern, rural border crossings appears to us to be a necessary part of this program as envisioned by Congress.

Ouestions Raised bv U.S. DOT

As we were finalizing our presentation for this conference, we received from U.S. DOT a list of five questions to be addressed as appropriate. While we reserve the

right to submit supplemental information to the Department after we consider the questions further, we will take this opportunity offer some preliminary comments in response to those questions.

1. **As to the type of problems the Section 1118 and 1119 programs can solve, we have noted previously that these funds can, among other things, increase international trade efficiency, safety and economic development along corridors; facilitate use of underutilized border crossings; and address needs in rural as well as more densely populated states.**
2. **We have explained our reasons why that a substantial majority of the funds should be directed to the corridor program as compared to border infrastructure. We do not insist on a specific percentage, or see that the percentage must be identical each year. However, for all the reasons noted before, the overall allocation scheme must result, over the life of TEA-21, in an allocation of some funds to each state with a high priority corridor designated by Congress.**
3. **The Department has asked how priorities should be determined within a state, and question 5 what role should be played by various "stakeholders" in project development and implementation. In this regard,, we feel strongly that the U.S. DOT must administer this program in a manner consistent with the regular Statewide and Metropolitan planning processes set forth in Sections 134 and 135, of title 23. The Department should not make awards for**

projects that are not consistent with Statewide Transportation Improvement Programs. We intend to give further thought as to how this should be insured. However, U.S. DOT has itself been very firm through the years in asserting the importance of the required planning process contained in title 23. Thus, the Department should be willing to support those processes by not awarding funds for projects that are inconsistent with metropolitan or statewide plans.

4. As to the measures to be used for selection criteria, we have explained above that the U.S. DOT has some discretion, probably including question 5 the discretion to consider "leveraging" of federal funds. However, regardless of any mix or weighting of factors that U.S. DOT might choose to develop, our point is that Congress has already set the parameters that U.S. DOT must follow. They clearly designated high priority corridors as an emphasis for funding and specified underutilized border crossings as a criterion for allocating funds also.

Congress did not take these actions as a theoretical exercise, but rather as a statement of their intent for the use of these funds. We believe it is clear that in exercising its discretion, U.S. DOT must allocate some funding to each state with a Congressionally designated high priority corridor and also must not ignore underutilized border crossings.

Conclusion

In developing Sections 1118 and 1119 of TEA-21 Congress provided U.S. DOT with discretion for program implementation, but also set forth strong indicators that Congressional intent was not for the program to be limited to a few high-volume border areas. Regional trade corridors, lower-volume international trade corridors and underutilized border crossings were clearly identified by Congress and must be included in the investment program developed by U.S. DOT.