

# National Journal

## TRANSPORTATION

### Roads Less Traveled

#### **Environmentalists want Congress to require the transportation sector to cut greenhouse-gas emissions by reducing the need for driving.**

Saturday, Sept. 12, 2009  
by Lisa Caruso

*"What's going on here is really ominous. The whole area of government planning and the use of penalties and incentives and regulation is fraught with peril." -- former Transportation Secretary James Burnley*

*"We're giving people more choices by creating communities that are rich in transportation options." -- Colin Peppard of the Natural Resources Defense Council*

On July 28, the Urban Land Institute released a controversial report on strategies for reducing greenhouse-gas emissions from transportation sources. Titled "Moving Cooler," the report was produced in conjunction with several environmental groups, federal agencies, foundations, public-transit and transportation-technology advocates, and Shell Oil. Their study examined an array of measures to cut fuel consumption and greenhouse-gas emissions by reducing the number of miles that Americans drive and improving the efficiency of the surface transportation network.

Although the report looked at numerous strategies, what drew the most attention -- and quick condemnation -- from transportation advocacy groups were the proposals to encourage denser land-use patterns to reduce the need for driving and to promote greater use of nonmotorized transportation alternatives. Critics from organizations representing road builders, contractors, and highway users called "Moving Cooler" unrealistic and characterized it as an attack on Americans' freedom to travel.

The sponsors countered that the report offered a robust range of options and that critics magnified the importance of a few of its most aggressive assumptions. Even so, it is clear that the recommendations struck a nerve among the advocacy groups that have long dominated the debate over transportation policy.

Colin Peppard, the transportation policy advocate for the Natural Resources Defense Council, one of the groups behind the study, said, "This knee-jerk questioning of the assumptions and the serious attempt to undermine the report is because the extent of [emissions] reductions necessary from the transportation sector and the ways that we need to go about getting them took the industry by surprise." The study "calls into question their entire business model of raising money to build [and maintain] the interstate highway system," he added.

As President Obama and the Democratic Congress work out ambitious legislation to counter climate change, policy makers are calling on the transportation sector to do more to lower its emissions of heat-trapping gases. A number of the land-use and travel-reduction policies detailed by the study are gaining currency across Washington even as many traditional transportation and libertarian groups assiduously oppose them.

The "Moving Cooler" report and the furor it touched off demonstrate just how much the terms of the debate over transportation policy are changing and the growing influence of environmental and "smart-growth" groups. These advocates have already scored an important victory with the inclusion of a provision in the House-passed climate-change bill that would require state and local transportation plans to include, for the first time, measures to reduce greenhouse gases.

The green groups have friends in powerful places, too. The Obama administration has repeatedly touted the environmental benefits, including fewer greenhouse-gas emissions, of marrying land-use and transportation planning to create "livable communities" that combine residential and commercial development and offer more nonmotorized transportation options. Moreover, House Transportation and Infrastructure Committee Chairman James Oberstar, D-Minn., wove the concepts of livability and environmentally sustainable transportation throughout the six-year surface transportation reauthorization bill that he introduced in June.

"We are seeing a change from one framework that has traditionally been focused on increasing the capacity of the transportation system through physical buildup to one that is now focused on decreased usage and almost rationing of resources," said Randy Mullett, vice president of government affairs for the Con-way trucking and freight companies.

As climate-change and surface transportation legislation seek to remake transportation policy, many advocacy groups that have focused on securing money for road and bridge construction have been caught flatfooted. One transportation lobbyist acknowledged that as the debate over reducing the transportation sector's greenhouse gases moves forward, these organizations will need to respond more successfully to the shifting policy environment -- or they will lose influence over their industry's fate.

"If your organization's overall strategy is to fight climate-change legislation tooth and nail, you could end up being part of the train that gets run over," said the lobbyist, who spoke on the condition of anonymity. "The traditional transportation stakeholders haven't productively figured out how to be at the table and play the game."

Obama and congressional Democrats have made enacting legislation to combat climate change one of their top three priorities for the year, and the transportation sector, which contributes such a significant share of U.S. greenhouse-gas production, is coming under increasing pressure to reduce its emissions.

The combustion of petroleum and other fossil fuels produces carbon dioxide, the primary greenhouse gas. Transportation is an overwhelmingly petroleum-dependent industry that emits a large amount of carbon dioxide. According to the Energy Department, petroleum accounted for 94 percent of the sector's total energy consumption in 2008. The

Environmental Protection Agency estimated that transportation accounted for 33 percent of total U.S. carbon dioxide emissions from burning fossil fuels in 2007.

Overall, the transportation sector -- which encompasses passenger vehicles, freight trucks, buses, motorcycles, aircraft, ships, boats, and trains -- produced 28 percent of U.S. greenhouse-gas emissions in 2007, second only to electricity generation at 34 percent, according to EPA. Most transportation emissions come from passenger vehicles. (See *chart, this page.*) And transportation's share of the country's greenhouse-gas output is growing: EPA reported that significant increases in Americans' travel, combined with more freight transportation and stagnating fuel efficiency across the U.S. vehicle fleet, raised the sector's greenhouse-gas emissions by 29 percent from 1990 to 2007. Moreover, this increase accounted for 43 percent of the growth in total U.S. emissions during that time.

### **Driving The Debate**

The three main factors affecting transportation's greenhouse-gas emissions are vehicles' fuel economy, the carbon content of their fuels, and the number of miles traveled. Policy makers have paid attention to the first two parts of the equation since the passage of the 1990 Clean Air Act, but they have focused only recently on the third. Many environmental advocates insist that reducing the number of miles driven is the only way to control transportation emissions; most government forecasts show that improvements from greater fuel economy and the use of alternative fuels, both mandated by the 2007 Energy Independence and Security Act, will be overtaken by increases in the number of vehicle miles traveled.

The 2007 energy law required automakers to re-engineer passenger cars and trucks to achieve a combined corporate average fuel-economy standard of 35 miles per gallon by 2020, and it required fuel producers to use 36 billion gallons of renewable fuels a year by 2022. Yet the Energy Department expects the transportation sector's energy consumption to increase steadily through 2030 at an average annual rate of 0.4 percent and to account for 28 percent of all energy use by then. Transportation will continue to be the third-largest energy user after electricity generation and the industrial sector by 2030, the department projects, because of expected increases in vehicle miles traveled and continued reliance on petroleum-based products such as gasoline, diesel, and jet fuel.

Vehicle miles traveled are clearly the key. The number of miles traveled in the United States grew 77 percent between 1983 and 2008, from 1.6 trillion miles to 2.9 trillion miles, after peaking at 3 trillion in 2007, according to Federal Highway Administration data. Although driving rose at an average annual rate of 2.6 percent from 1990 to 2004, higher fuel prices helped send that figure down to an annual rate of just 0.6 percent from 2004 to 2007, EPA says.

The Energy Department projects that vehicle miles traveled by passenger cars and trucks will rise 1.5 percent annually through 2030 and that commercial light-truck travel will increase 1.7 percent and freight trucks' miles will go up 1.9 percent annually during the same period. All told, department analysts estimate that road-related travel will balloon from 3 trillion miles in 2007 to 4.3 trillion miles in 2030.

Environmentalists, public transit advocates, and proponents of smart growth are pushing for the development of greener vehicles and fuels, and for the aggressive adoption of "intelligent transportation systems" and other strategies to make the nation's surface transportation network more efficient. They insist, however, that reducing vehicle travel and promoting land-use patterns that encourage walking, biking, and mass transit ridership are indispensable to achieving the goal of slashing overall U.S. emissions 80 percent from 2005 levels by 2050.

**Just as important, said Steve Winkelman, director of transportation and adaption programs for the Center for Clean Air Policy, smart growth and more-diverse transportation options offer other economic benefits, including lower infrastructure costs, higher real estate tax revenues, more private investment for development, improved public health, and greater energy security.**

Opponents in the transportation sector say that proponents of compact development fail to consider costs such as the added time it takes to travel by bike or on foot and the cost of greater federal funding for mass transit. They assert that technological solutions can substantially and cost-effectively lower transportation emissions long before new development patterns take hold. Transportation advocates point to efforts to relieve traffic congestion, such as ramp metering and traffic-signal controls that adjust their timing based on traffic load and speed. They also tout continued efforts to reduce carbon emissions from vehicles and fuels.

"The reality is that these technological answers are so much more cost-effective than trying to remake our urban landscape and get people out of their cars or change where they live," Greg Cohen, president and CEO of the American Highway Users Alliance, said. "If we really want to be effective in reducing greenhouse-gas emissions, we should find the lowest-cost emissions reduction strategies and invest our money and energy there. A painful, expensive plan that impacts the livelihoods of Americans is not necessary."

Robert Poole, director of transportation studies at the libertarian Reason Foundation in Los Angeles, challenged the notion that the sector should reduce its greenhouse-gas emissions in proportion to its current emissions; unlike other sectors such as electricity generation, he says, transportation has few viable alternatives to petroleum-based fuels. Poole also questioned whether high-density development can result in lower transportation emissions, noting that traffic congestion increases with population density and that stop-and-go driving causes more emissions than traveling at higher, steady speeds. "This is all based on the faulty premise that increasing density will significantly reduce [vehicle miles traveled] and that significantly reducing [vehicle miles traveled] is necessary to reduce greenhouse-gas emissions from transportation," Poole said. "I reject that. The whole logic chain doesn't hang together."

Environmentalists, smart-growth advocates, and public transportation proponents respond that until now, the federal government has encouraged Americans to drive more by funding the expansion of the interstate highway system and enacting multiyear transportation authorization bills that provide states with billions of dollars that are primarily earmarked for road and bridge repair and construction projects.

But that mind-set must change, they say, and indeed transportation policy appears to be moving in a new and greener direction, as evidenced by two major House bills: the climate-change measure that the chamber adopted on June 26 by a 219-212 vote, and the surface transportation reauthorization legislation that Oberstar introduced on June 22.

### **Cleaner, Greener Transportation**

The climate-change legislation calls for reducing carbon emissions from major U.S. sources 17 percent by 2020 and 83 percent by 2050, compared with 2005 emissions levels. It directs EPA, in consultation with the Transportation Department, to develop transportation-related greenhouse-gas emissions reductions goals. To the frustration of transportation advocates, the bill also charges EPA with developing scientific models and methodologies for transportation planners to use to measure the climate-change effects of transportation, as well as the data collection methods they would use to gauge greenhouse-gas emissions.

For the first time, states and metropolitan areas would have to establish targets for lowering greenhouse emissions from surface transportation and strategies for meeting those targets, including efforts to increase public transportation ridership, walking, bicycling, and other nonmotorized transportation. The bill would require transportation planners to consider a host of environmental objectives such as promoting sustainability and livability, reducing reliance on oil, improving public health, and promoting consistency between transportation improvements and housing and land-use patterns.

The bill would cap the amount of greenhouse gases that could be emitted annually from various activities and would require polluters to obtain "allowances" for each ton of greenhouse gas that they emit. Polluters that cut their emissions below the capped level could sell their allowances on the open market. The bill would also allocate 10 percent of all allowances to the states to invest in clean energy and energy-efficiency initiatives.

Under the bill, states could use up to 10 percent of the revenues gained from selling their emissions allowances to invest in transportation projects that reduce greenhouse gases. Because states would get only 10 percent of the total number of allowances created by the legislation, the amount they could devote to "green" transportation represents less than 1 percent of the total revenue stream that the legislation's cap-and-trade emissions regime is expected to generate. Public transit and environmental advocates, however, want at least 10 percent of all revenues generated by the bill to be dedicated to transportation projects that reduce carbon emissions. They say they will push hard to secure more investment in nonmotorized transportation in the Senate climate-change bill.

Like transit and green groups, transportation groups were upset that the House legislation gives their industry so little money to meet the emissions-reductions requirements imposed on it. "It grossly punishes the transportation sector," said Conway's Mullett. "We as an industry did an awful job of representing our interests" as lawmakers were debating the climate-change bill.

For their part, environmental and smart-growth advocates pushed for tougher language that would have given EPA a larger role in the transportation planning process, including the authority to approve the climate-change-related components of state and local transportation plans. Oberstar blocked their efforts after getting an earful from

transportation advocacy groups, including the American Association of State Highway and Transportation Officials; the American Highway Users Alliance; the American Road & Transportation Builders Association; and the Associated General Contractors. He intervened with the bill's authors at the Energy and Commerce Committee and negotiated compromise language that retained DOT oversight of the transportation planning process in both the climate bill and Oberstar's surface transportation reauthorization legislation.

The transportation groups got only a partial win, however. They were unable to prevail in their argument that any changes to the transportation planning process be confined to the surface transportation reauthorization bill.

Dovetailing with the climate-change measure, Oberstar's reauthorization bill, which he hopes to mark up in full committee this month, spells out the performance measures that the Transportation Department would use to certify that states and metropolitan regions are making progress toward meeting national goals for reducing transportation emissions. The standards would measure, for example, whether the plans are consistent with land-use goals and whether they increase access to and connections within the surface transportation system.

Urban areas with more than 1 million people would also have to take into account land-use patterns that support improved mobility and reduce dependence on single-occupant vehicle trips, provide an adequate supply of housing for all income levels, increase water and energy conservation and efficiency, and improve the livability of communities. In keeping with existing law, states and metro areas that failed to meet these requirements could lose up to 20 percent of their federal transportation planning funds.

The Reason Foundation's Poole asserted that these requirements would "make it a lot harder to do much-needed modernization of roads and bridges and things like building new beltways. It will cost more; it will take longer; and some of it won't get done at all."

The Associated General Contractors and the American Highway Users Alliance have come out particularly hard against the planning requirements in the House climate-change bill and the Oberstar reauthorization bill. These groups charge that the requirements would further slow an already unwieldy and lengthy planning process and would discourage new highway and bridge construction.

Brian Deery, senior director of the Associated General Contractors' highway and transportation division, said that his organization's primary problem with the Oberstar bill "is that it seems to have a strong bias against highway capacity improvements. The issue is, is this a realistic approach to transportation? When you look at the projections for population growth and [travel] growth, there will be more and more congestion [without new capacity]. And congestion contributes to greenhouse-gas emissions."

**The Center for Clean Air Policy's Winkelmann counters, "The discussion, unfortunately, has become really polarized and binary: Are you for highway expansion, or not? I think you have to ask, what is the point of the transportation system? The point is not to have roads or even to move people but to provide access. So what we need to look at is, what is the most efficient way to do that?"**

In the Senate, says Kate Rube, a legislative associate with Transportation for America and the federal policy director for the Smart Growth America coalition, advocates of greener transportation options will push hard to give EPA, rather than the Transportation Department, the authority to review whether transportation plans are meeting their greenhouse-gas reductions targets and therefore whether state and local officials may use cap-and-trade revenues to fund greener transportation alternatives.

### **Livability Controversy**

Although the Obama administration has yet to offer detailed policy proposals for reauthorizing the surface transportation law, "livable communities" will be a "centerpiece," Transportation Secretary Ray LaHood told the Senate Banking, Housing, and Urban Affairs Committee on June 16. "Our goal is to build livable communities where safe, convenient, and affordable transportation is available to all people, regardless of what mode they use," he said. "For the past 50 years, most government investment in transportation has undermined this goal."

At a July 14 hearing of the Senate Environment and Public Works Committee on transportation's role in climate change, LaHood said that addressing the growth in vehicle miles traveled "plays a key role in decreasing transportation-related greenhouse-gas emissions and should be included in overall efforts to prevent climate change" by developing more livable communities. He also underscored the need to integrate climate-change considerations into transportation planning, financing, and implementation.

Conservative transportation experts have denounced the livability concept as coercive and a threat to Americans' freedom. James Burnley, who headed the Transportation Department during the Reagan administration and is now a partner at the Venable law firm, said, "What's going on here is really ominous. The whole area of government planning and the use of penalties and incentives and regulation is fraught with peril."

Poole contended in an interview, "The idea that less travel is inherently good is very pernicious. People travel for good reasons. To set as a goal reducing the amount people travel is dangerous."

The Natural Resources Defense Council's Peppard counters, "I see it as exactly the opposite. We're giving people more choices by creating communities that are rich in transportation options."

Not all transportation advocacy groups reject the idea that U.S. policy should reduce vehicle travel and promote denser land-use patterns. The American Association of State and Highway Transportation Officials endorses limiting vehicle travel but maintains that technological advances to "de-carbonize" the motor vehicle fleet must be the central focus of the country's strategy for lowering transportation emissions.

State transportation officials' target of slowing the rate of travel growth to 1 percent annually is too high for environmental groups such as the Center for Clean Air Policy, which wants to hold the growth rate to 0.4 percent per year. Still, to achieve its suggested reduction in vehicle travel growth, the state highway officials' association backs doubling transit ridership by 2030; increasing transportation options, including

intercity and high-speed passenger rail; supporting land-use strategies that provide for greater use of transit, biking and walking; and shifting some long-haul freight shipments to rail.

"We're part of that advocacy group that wants to make sure that we do the art of the possible to reduce the rate of growth of [vehicle miles traveled]," said Executive Director John Horsley. But he added, "Our instinct and most information tells us that the overwhelming majority of greenhouse-gas reductions is going to come from improved vehicles and improved fuels. The centerpiece of our strategy must be to de-carbonize the vehicle fleet."

The American Trucking Associations represents an industry that the Energy Department projects will increase its miles driven by 1.9 percent a year through 2030 and improve its average fuel economy by just 0.6 percent annually during the same period. The group emphasizes that efforts to reduce trucking emissions need to focus on decreasing fuel consumption and unclogging highway bottlenecks.

"People forget that we're not recreational drivers," said Bill Graves, the trucking group's president and CEO, who fiercely opposes restricting travel. "I don't see any scenario where we don't have more trucks moving more goods to keep up with a growing economy. We will need more transportation services of all kinds, more investment in infrastructure and more travel [by] commercial vehicles that we have today."

In addition to efforts to improve fuel efficiency and reducing highway congestion, the trucking industry association lays out policy changes that could reduce its carbon footprint: a 65 mile-per-hour national speed limit; incentives to decrease truck idling; allowing the industry to use larger and heavier trucks, which it says can move greater volumes of freight with less fuel and fewer emissions than a higher number of smaller trucks; and "technologically feasible" national fuel-economy standards for medium- and heavy-duty trucks that "do not compromise truck performance." The trade group contends that its program could reduce the industry's carbon dioxide emissions by 900 million tons over the next 10 years.

As Congress returns to Washington and the debate over climate change and greenhouse-gas emissions moves to the Senate, Con-way's Mullett was clear about what the transportation sector needs to do. "We as an industry need to use this fall to spend a lot of time with the Senate in the educational process, not in special-interest terms but in broader terms of what do we want to accomplish and how do we do that without totally destroying an industry."

Burnley called on the industry to generate popular opposition to any significant push to link land-use and transportation policies. "The transportation community needs to vigorously engage in this debate to assure that all of the ramifications of these policies are clearly understood by Congress and the public -- including, most particularly, the threat to the right to travel," Burnley said. "When the public wakes up to the more extreme versions of the livability doctrine, when you start telling them where they have to live and how they can travel, I think the health care backlash we're seeing is nothing compared to what we'll see when people wake up to this."

But David Goldberg, spokesman for the Transportation for America coalition of more than 300 environmental, smart-growth and alternative-transportation groups, believes that the tide has turned for good. "Business as usual simply won't cut it. We need to get people to understand that transportation policy in many ways is energy policy. It's housing policy. It's environmental policy. I think that's finally sunk in."

Copyright ©2009 by National Journal Group Inc. The Watergate 600 New Hampshire Ave., NW Washington, DC 20037  
202-739-8400 • fax 202-833-8069 NationalJournal.com is an Atlantic Media publication.