Climate & Community INSTITUTE

Congress

Policy Agenda | **People-first transportation**

To read the full report, see Letting People Move

The problem

In the United States, the shortcomings of today's automobile-focused transportation system impact many facets of life, ranging from healthcare access to job retention to air quality. Congress is acting against constituents' well-being and the federal government's financial interests by overwhelmingly funding roads and highways while not distributing sufficient funding to other modes.

Transportation policy represents a key tool to address both the cost of living crisis and the climate crisis.

The solutions

Congress can pursue a 5-pillar strategy:

1. Balance funding to support more freedom of transportation choices.
2. Connect climate goals and transportation planning.
3. Re-orient project planning, design & permitting to prioritize projects that reduce VMT, improve safety, improve transit, and serve disadvantaged communities.
4. Level the playing field by realigning incentives for individuals to use socially beneficial transportation options.
5. Transform institutional structures, culture & capacity to favor diversified transportation.

Congress can immediately begin work on the following policy agenda.

To see more detail about these strategies and policies, see Letting People Move.

Strategy 1 Balance funding to support transportation choices

Congress must infuse financial resources into transit systems, sidewalks and bicycling infrastructure that have been chronically underfunded, because these resources offer many public benefits, including improved safety, public health, air quality, and access to jobs, school, health care, groceries and recreation. It should also help state and local governments wean road expansion projects from the public balance sheet because these investments undermine fiscal responsibility, climate efforts, transit accessibility and public safety goals. Governments can reallocate existing funds and/or identify new funding streams. If the majority of new highway construction dollars at all levels of government were diverted into other programs, this would free up roughly $150 billion per year for other uses.

Pause all highway expansion

New road capacity is the biggest source of new CO2 emissions. For any other policies to have a chance at decreasing overall emissions, the federal government needs to pause future expansions—and encourage states and MPOs to pause capacity projects already in the planning pipeline to give time for re-evaluation of priorities. This would make billions of dollars potentially available for system maintenance and expansion of transportation choices. Additionally, the federal government could set an expiration of 10 years for funds allocated to highway projects planned but not built.

Example
In 1972, Massachusetts Governor Francis Sargent responded to protests over highway construction plans by declaring a moratorium on freeway construction inside Boston. When LA Metro recently canceled the 710 Freeway project, the decision diverted $225 million to transit and bike and pedestrian projects, $188 million to arterial roads and complete streets, and $210 million for freeway safety and interchange improvements. In 2023, the Welsh government announced it would cancel all major road expansion projects.

Balance formula funding

The National Highway Performance Program is by far the largest surface transportation formula grant program funded by the Infrastructure Investment and Jos Act. This program, whose core purpose is to support highways in the national highway network, was apportioned $148 billion over five years, more than twice as much as the second largest program. In spite of increased flexibility that makes it possible to spend formula funds on transit infrastructure, sidewalks or bike lanes, states continue funding projects that heavily favor car infrastructure. The federal government primarily funds new construction, which saddles states with operations and maintenance of an every-increasing network. Congress should allocate at least 50% of transportation funds to transit and active transportation and require most of the remaining highway/road dollars to go toward maintenance. This could include a rebalancing of funding within current programs or a restructuring of the DOT into new programs. Congress should also create a new fund to expand intercity passenger rail.

Example
Several European countries spend over 50 percent of their ground transportation budgets on rail.

Invest in transit operations

State and federal governments should increase operations support for local agencies. In the late 1990s the United States eliminated federal operating support for urbanized areas with populations over 200,000, leaving these larger cities to find local and state funding to sustain their operations. Even for smaller communities, federal operations funding does not sustain frequent, reliable service. New funding needs to be paired with service requirements to ensure that agencies use funds to benefit current riders and increase ridership.

Example
The Stronger Communities through Better Transit Act proposes increasing federal operations funding for all transit agencies, including for cities over 200,000 in population. In 2023, the Minnesota legislature approved a 3/4 cent sales tax to support transit operations as well as capital expenses.

Update flex funding

While Congress' top priority should be an overhaul of formula funding programs and percentages, Congress should also update flex funding rules: Institute one-way flexibility that prevents funds in pots earmarked for safety, transit, or carbon reduction from being moved into highway programs–while giving maximum flexibility for general-purpose highway funds, such that they can be used for transit.

Create new funding streams

All levels of government can pursue strategies to create new funding streams for diversified transportation. The federal government can take its lead from states that have pursued a variety of funding mechanisms.

Example
Colorado funds transit with fees on rental cars and oil/gas extraction. Illinois pays for active transportation projects with gas tax revenues and registration fees; Washington has a cap-and-invest system, which puts a price on carbon emissions and invests the revenue in low-carbon infrastructure. In 2010, voters in the County of Marin in California approved a $10 vehicle registration fee that helps fund paratransit and transit for seniors.

Convert the highway trust fund into a diversified transportation fund

For more than two decades, the federal highway trust fund has spent more money than it has recovered from gas tax and other related revenues, so Congress has repeatedly appropriated money from the general fund to replenish it. This problem will worsen as drivers shift to electric vehicles. Congress must transform the highway trust fund into a diversified transportation fund, limit spending on highway expansion, and stabilize the revenue by implementing a road user fee. A road user fee would charge all vehicle users a mileage-based fee instead of a gas tax, maintaining revenue even as the percentage of electric vehicles increases.[1]

Example
States including Nevada, Oregon, and Utah have all created voluntary or pilot programs to test or study the collection of mileage fees.

[1] The road user revenue would decrease as car drivers shift to other modes and vehicle miles traveled decreases.

Strategy 2 Connect climate goals and transportation planning

Some states have passed strong greenhouse gas (GHG) emission targets. These aspirational goals often do not require specific changes in policy that would help meet the target. When it comes to transportation planning, state DOTs and MPOs have generally continued to operate without consideration for induced vehicle trips or their associated emissions. Policymakers need to adopt new rules to unify transportation and climate goals.

Enact GHG performance measures

Congress should require states to set declining targets for GHG emissions associated with transportation (and/or VMT), and then measure and report progress.

Example
In 2023, the US Department of Transportation released a rule that added greenhouse gases to the list of performance measures that state DOTs are required to track; the rule required state authorities to set declining targets to reduce GHG emissions associated with transportation and measure progress towards meeting them. Although this rule has since been overturned in federal court, states have the opportunity to voluntarily comply.

Require that projects meet VMT or GHG reduction and mitigation requirements

Congress can require STIPs to meet vehicle miles traveled or greenhouse gas reduction targets.

Timing is key:

- Apply the targets to long-term plans, short-term programming, and projects already in the planning pipeline.

- Targets should be cumulative to ensure plans address timing of projects
- Pair the targets with a moratorium on road/highway expansions to prevent a lag time between passage and implementation from causing irreversible emissions.

Here are considerations for legislation allowing mitigation in exchange for highway expansion:

- This leaves open the possibility for continued growth of road capacity and induced travel. A stronger policy framework would delay expansion until alternatives had been implemented and evaluated.
- Project sponsors must identify mitigation funding that does not steal from pre-existing funds for low carbon transportation.
- Require any needed highway capacity project to show lifecycle maintenance costs are fully accounted for before commencing the project, essentially creating a maintenance escrow account.
- Mandate that state DOTs demonstrate that the trips served by a highway capacity project would not better be served by investment in local transit, intercity transit (bus or rail), active transportation, or transportation demand management, no matter the availability of funding for said other options.

Example

In 2008, California passed an early flawed version of this concept in SB 375. In 2021 Colorado adopted a rule that requires the state DOT and its MPOs to create transportation plans that provide more mode choices and reduce emissions. If an agency finds that a project will increase emissions, it can choose mitigation measures such as construction of bike lanes, public transit, and electric vehicle chargers. In 2023, Minnesota passed a similar law to require any planned transportation investments to decrease both GHG emissions and VMT or include mitigation measures to offset projected emissions.

Strategy 3 Reorient project planning, design and permitting

Any road or transit project moves through a sequence of design, administrative, and regulatory steps to get from concept to funding to implementation. These processes continue to favor cars, whether by raising barriers to transit projects or streamlining road projects. The next evolution of the DOT must break this inertia by intentionally redesigning processes to achieve diversified transportation that gets people out of cars rather than urging people into them.

Reform federal permitting

Permitting processes need to be reviewed and streamlined to accelerate zero-emissions transportation projects. This can include: reforming the environmental review process to use VMT (rather than vehicle delay) as a measure of impact; offering faster permitting routes for transit including a pathway for qualifying transit projects to seek exemption from the National Environmental Policy Act; reducing the financial threshold that the FTA applies to transit agencies seeking capital funding, and improving coordination between permitting agencies to speed up review.

Example
California's SB 743 required the state's environmental review of transportation projects switch from level-of-service (LOS) to VMT criteria when evaluating impact. California's AB 2503 exempts rail electrification projects from state environmental review. Montreal's Réseau express métropolitain rail project moved more efficiently through permitting and construction due to a law that granted the project a streamlined permitting process.

Improve competitive grant process

Many communities spend precious resources competing for limited discretionary funds and end up receiving nothing. At a base level, the USDOT should simplify the application process to give less-resourced communities a lower-risk path to requesting funds. But to more equitably distribute these funds and allow communities more predictable funding streams, Congress should shift the more popular competitive grant categories (such as Safe Streets for All and Thriving Communities) into formula funding so that local communities can rely on these resources.

Incentivize States

To shift infrastructure investment spending practices, federal and state governments can use carrots by enacting incentives for states—like increased funding—for jurisdictions that meet designated targets, such as: fix-it-first before adding capacity; reduce VMT; improve transit access; and improve transit service. This should be paired with transparency measures to ensure good data tracking and reporting.

Increase transparency

Increasing publicly available information can hold state DOTs accountable for aligning transportation planning with climate, equity, safety and community goals. Foundational transparency policies make other changes possible by daylighting current practices and outcomes. The US DOT could apply requirements to state DOTs, or state DOTs could independently apply them to their MPOs. Reporting could be mandatory or tied to funding. Reporting measure could include: the state of good repair; excess road capacity; percentage funds going to highway and road widening; VMT trends; and GHG emissions. The US DOT should also require a standardized format for STIPs and TIPs and their associated reporting.

Example
Minnesota's Performance Measure Dashboard provides data in dozens of categories, including GHG emissions, VMT per capita, and job accessibility by transit. In 2025, California published five years of data on highway lane mile expansions, as a result of legislation SB 695 requiring greater transparency. Missouri DOT's Tracker offers another good example of transparency across a variety of measures, although does not include VMT or GHG.

Strategy 4 Level the playing field: realigning the incentives

In most US towns and cities, people are incentivized to drive due to decades of policy and funding decisions that tilt the playing field towards cars as the default transportation choice. Although the most significant incentive to drive may be the built environment, this strategy also targets incentives that fall outside of the physical infrastructure. Every level of government has a responsibility to rebalance transportation options to incentivize modes that have greater social benefit and allow people the freedom to choose.

Close tax loopholes and create new tax incentives to reward people using modes with lesser impact.

Important tax code improvements include 1) extending refundable tax credits to households with zero registered vehicles; 2) eliminating the mortgage interest tax deduction or revising the tax code to privilege renters and homeowners equally to reduce car-dependent urban sprawl; and 3) eliminating tax loopholes and deductions for vehicle depreciation and business use of vehicles, and eliminating the favorable treatment of SUVs and larger vehicles under the tax code.

Example
In 2022 the California legislature passed SB 457, which would have issued tax credits to car-free households. The governor vetoed it, citing financial concerns.

Pass standards and incentives to reduce vehicle size and increase safety

The federal government must regulate and incentivize safe vehicle size–not only for direct emissions reductions and road maintenance, but also to ensure a safer street environment where pedestrians and bicyclists can comfortably move around with lower risk. Smaller, lighter vehicles, along with appropriate street design and reduced vehicle speeds, will give people greater confidence to walk and bike for short trips around town.

Example
Washington D.C. began weight-based fees in 2023, with a four-tiered payment scale ranging from $72 to $500 per vehicle. The same year, California's AB 251 directed the California Transportation Commission to study the costs and benefits of a weight-based passenger vehicle fee.

Reduce non-infrastructural barriers to bike and pedestrian safety.

The federal government should consider a package of reforms to mend the inhospitable nature of the country's roads, laws, and culture when it comes to protecting and enabling bicyclists and pedestrians. These changes would support people who currently move around without a car, and also give more people the confidence and security to use these modes. Meaningful reform would include: 1) traffic law reform to decriminalize jaywalking, increase penalties for unsafe drivers, clarify and update rules to protect people walking or biking, and give bicyclists greater flexibility; 2) reduced speed limits, including eliminating the 85th percentile rule and allowing municipalities to set lower speed limits as they see fit for safety; and 3) Department of Motor Vehicles driver education reform to protect bicyclists, pedestrians on shared streets.

Example
Madrid, Spain passed a package of bicycle laws in a 2018 ordinance that gives bikes greater prominence and protection in city traffic laws.

Strategy 5 Transform institutional structures, culture and capacity

At every level of government, there are opportunities to disrupt patterns of automobile-centric planning and road expansion by shifting staff balances, introducing new leadership and workplace accountability.

Revamp state structures & culture

Under an administration that prioritizes people over cars, the US DOT could make immediate changes through leadership decisions and shifting internal resources to address gaps. Top appointed officials need to fill leadership positions with individuals who do not come from a highway background and are themselves committed to establishing culture, procedures and accountability measures for their staff. Because some programs within the FHWA—such as CMAQ, CRP, and TA—already focus on transit and active transportation improvements, there is an opportunity to shift the balance of staff resources within the FHWA by allocating greater numbers to provide technical support and project streamlining to these areas.

In the next surface transportation reauthorization, Congress can restructure the highway and transit programs to balance the resources available to each and create a new architecture to facilitate transportation projects that prioritize people and climate (Figure 1). This would include placing the FTA and a restructured FHWA under a new Federal Mobility Agency, and creating a new bureau of engineers and planners who would act as a public consulting firm to help deliver transit and intercity projects more quickly and cheaply. planners who would act as a public consulting firm to help deliver transit and intercity projects more quickly and cheaply.

Require MPOs to enact proportional representation

MPO decisions often undervalue input from constituents who would benefit from transit and active transportation investments. In many cases, each city in the metropolitan region gets one vote on any issue that comes before the board, with small and large cities getting equal weight. This means that residents of larger cities have less representation per capita. Because denser, bigger cities often rely on public transit more, this inequity often leads to reduced investment in public transit and increased investment in highways, increasing emissions. MPO proportional representation can be achieved through weighted voting structures or greater board membership for larger municipalities. Congress should require this in its next reauthorization. A DOT survey published in 2017 found that only 13 percent of MPOs (36 of 276) reported having an option for a weighted voting structure, and some of those had never used it.

Example
In 2017, the California Legislature passed AB 805, which gave San Diego MPO board members the ability to invoke a weighted vote if a measure fails to pass with the tally vote.

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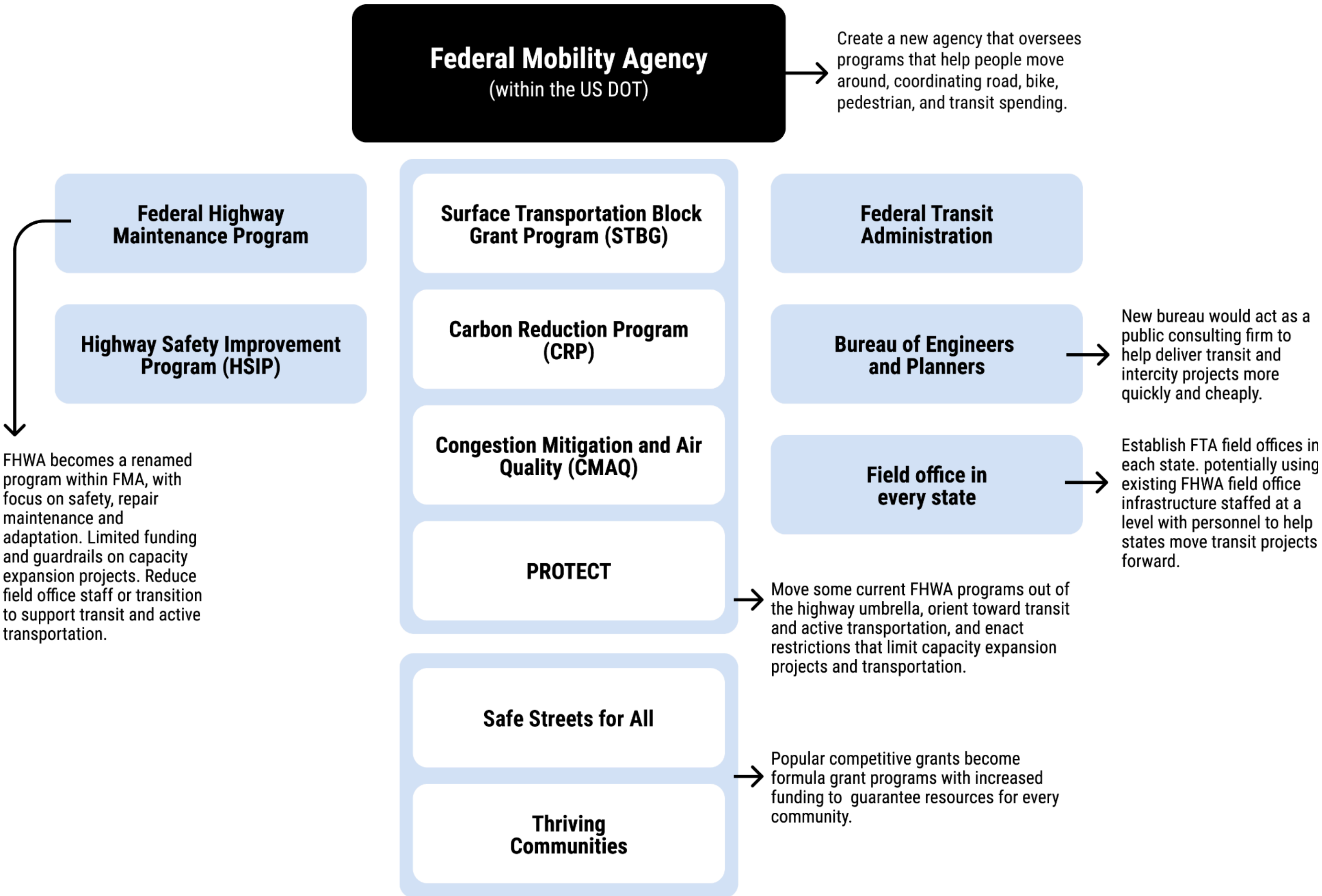
A new structure for surface transportation programs and oversight within the US DOT



Additional important priorities

This agenda orients toward policies that would contribute to mode shift and VMT reduction during peoples' day-to-day transportation activities. It also orients more toward policies that flow through federal and state DOTs.

Numerous other policies can help offer people better options to move around without a car, whether by improving street safety, increasing transit efficacy and ridership, or building more compact walkable cities. Although the topics below are not included in the above agenda, they are also worthy of attention:

- Providing funding and policy support to increase intercity travel options, including intercity rail and bus; this will include addressing problems with Class I freight rail operators that interfere with passenger rail service.
- Expanding support for rural transit and public ride-sharing programs.
- Supporting transit safety ambassadors, the return of small-scale commerce at transit stops, and other nonpolicing methods for improving safety onboard transit vehicles and at transit stations.
- Supporting the transit workforce:
    - investing in workforce development to increase transit workers, active transportation maintenance, and planners
    - ensuring good pay, benefits, and working conditions along with collective bargaining
    - prioritizing and funding worker safety measures
- Zoning and land use (facilitating built environments that increase transportation options)
    - transportation-land use coordination; land use policy that favors density and mixed uses
    - parking and land use efficiency, including using publicly owned land at transit stations to build social housing
    - grants for localities contingent on updated zoning to allow multifamily dwellings near to transit
    - accessory dwelling units permitting reform
    - by right zoning