

**Senate Environment and Public Works Committee  
September 4, 2008 Field Hearing  
Los Angeles, California**

**Testimony of Jim Kemp, Executive Director  
Santa Barbara County Association of Governments**

Good morning. My name is Jim Kemp and I am the Executive Director of the Santa Barbara County Association of Governments. Let me begin by thanking you and your staff for reaching out to our region and seeking input from the Central Coast of California. As your committee and Congress undertakes deliberations toward enactment of a new surface transportation bill, it is important that the needs of all areas in the country are considered. Santa Barbara County is part urban and part rural. Our area has unique qualities and, in some respects, our transportation needs differ from those in the metropolitan areas represented by my colleagues on this panel. .

You are undoubtedly aware that under the leadership of the Governor's Business, Transportation and Housing Agency and Will Kempton and his staff at Caltrans, transportation agencies throughout California have worked together to reach a consensus on principles that will best serve our state and we believe need to be incorporated in the next federal transportation bill. Many of the consensus principles are in my view, obvious and imperative such as securing and stabilizing the integrity of the Highway and Transit Trust Funds.

Other principles represent a departure from the norm and will require new thinking about the federal government's role in transportation. Programs and policies that have been in place or emerged during the past half century while the federal focus has been primarily on building out the interstate highway system, will need to be revamped or, in some cases may need to be abandoned altogether.

I would like to focus my brief comments on two principles that are closely related: performance-based decision making and funding flexibility. According to the Transportation Policy and Revenue Study Commission, there are over 100 distinct federal surface transportation funding programs that are currently authorized. Each program represents a "silo" with its own narrowly defined objectives and set of rules and regulations that limit the types of projects that can be funded.

This model for the federal role in transportation is obsolete and creates many problems:

- It skews transportation planning and encourages states and local governments to chase after dollars that are available rather than making sound investment decisions and implementing the best solutions
- Complying with the tangle of regulations diverts resources and slows down project delivery
- Many projects are funded from multiple sources and creating a coherent funding plan which meshes these sources becomes an enormous challenge.
- Smaller jurisdictions—including some that I represent--are effectively shut out of most federal programs because they don't have the resources to manage these projects

The current compartmentalized and cumbersome federal transportation programs are, in many cases, not geared to achieve the desired policy goals. Let me illustrate with a local example: Prior to 2003, the Santa Barbara County region was designated as a non-attainment area for federal air quality standards and, consequently, received apportionments of \$3 to \$4 million annually in federal Congestion Mitigation Air Quality (CMAQ) program funds. These CMAQ funds were used as intended to implement transit and ridesharing programs that reduced mobile source emissions and eventually helped us to meet federal standards. The air quality in our region had improved so that we achieved the performance-based standard established in federal law and our region was redesignated as a “maintenance” area and eventually as an “attainment” area.

Unfortunately, attainment areas are not eligible to receive CMAQ apportionments and Santa Barbara County lost a critical source of revenue that we had relied on to help us reduce emissions and meet the standard. In short, instead of rewarding us for meeting a federal policy goal, we were kicked out of the funding program that had helped us to achieve that goal. This is counterproductive and wrong. Today, our region is teetering on the brink of slipping back into non-attainment status and many of us are left wondering why our federal partners would design a program that disincentivizes attainment of the program goals.

Increased flexibility in funding programs can speed up project delivery and allow us to be more responsive to emerging transportation needs. This point can be demonstrated by a local success story: SBCAG assumed responsibility for operating the Clean Air Express regional commuter bus system 7 years ago. The system has been enormously successful in attracting riders, recovering costs through fares and reducing the number of cars on the roads. We began operating this service primarily with federal CMAQ funds which can be used for operations for no more than 3 years—another one of those many arcane and maddening rules I spoke of. When the CMAQ grant ran out, we were facing the prospect of ending a successful and popular service unless new funding could be found. Fortunately, Santa Barbara County—like many others in the state—is a self help county and has access to flexible funding from a local transportation sales tax that was approved by county voters. Although the Clean Air Express did not exist when this sales tax was adopted in 1989 and the need for funding to keep this system in operation could not have been anticipated, SBCAG was able to quickly allocate the funding needed to keep the buses running. This was only possible because of the flexibility and availability of local sales tax funds.

In conclusion, I would urge that federal funding programs in the next surface transportation bill be designed to address broad policy goals: reducing congestion, goods movement, safety, reducing greenhouse gas emissions. Reduce the regulations and the number of programs and increase flexibility. Unfetter states and local governments and empower them to make sound decisions on the most effective strategies for meeting federal policy goals. And finally, hold us accountable for the use of these funds by establishing performance standards and focusing investments on outcomes. Federal programs should be designed encourage desired results and to incentivize appropriate investments in transportation at the state and local level.

We value our partnership with the federal government and believe that there are national interests served by a continued strong federal role in transportation policy and funding. It is our hope that these interests will be better addressed through new thinking as Congress crafts the next surface transportation authorization bill. Thank you.