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BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

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Making Future Transportation Decisions: Intermodal Planning Needed

Intermodal planning is an examination of interactions and relative costs and benefits between competing and complementary transportation modes. Through intermodal planning, significant savings can be realized in the areas of freight movements and urban passenger travel.

To promote intermodal planning by State and local transportation agencies, the Secretary of Transportation should seek (1) congressional legislation to consolidate Federal airport, highway, railroad, and transit planning grants into a block grant for all transportation planning and (2) merge the Department of Transportation's modal planning staffs into a single, all-mode unit.

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To the President of the Senate and the
Speaker of the House of Representatives

This is our report on how the Department of Transportation can assist State and local governments in doing more effective transportation planning. The report discusses the need for the Department to promote intermodal planning.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Acting Director, Office of Management and Budget; the Secretary of Transportation, interested congressional committees; and other parties.

Comptroller General
of the United States

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COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

MAKING FUTURE TRANSPORTATION DECISIONS: INTERMODAL PLANNING NEEDED

D I G E S T

Federal, State, and local governments are becoming increasingly involved in new and more complex transportation issues. For example, they must look for new ways to conserve energy and lower costs by coordinating different travel and shipping modes and by applying their limited resources to only the most important transportation problems.

Recognizing that they cannot continue to focus on the isolated needs of individual transportation modes, Federal, State, and local governments have begun to take a broader approach to planning their transportation programs, and consider each mode as an integral part of an overall transportation system. This broader planning perspective is called intermodal.

The Federal Government has begun to take some positive steps, but more can and should be done to help State and local transportation agencies to do intermodal planning.

The Secretary of Transportation should

--seek congressional legislation to consolidate the airport, highway, railroad, and transit planning grants into a block grant for transportation planning;

--merge existing modal planning staffs into a single, all-mode unit and build an all-mode field capability to assist State and local transportation agencies;

--develop unified planning regulations for all transportation planning;

--sponsor the development of, and serve as a clearinghouse for, examples of intermodal planning; and

--conduct training programs for State and local transportation planners to acquaint them with proven intermodal planning methods.

GAO found a number of factors that impede States from taking an intermodal approach to planning.

--Federal capital, operating, and planning grant programs for transportation are modally separate. States have historically planned in response to this and have defined the isolated needs of individual modes.

--Federal transportation planning assistance, roughly $200 million annually, is available for airport, highway, rail, or transit planning but not for intermodal planning.

--Imbalances in Federal funding and staff assistance for the modal planning programs impede State efforts to develop a more balanced, intermodal planning capability.

--States have their own institutional and legal barriers.

--States lack the technical know-how for many of the intermodal analyses they want to do.

The Secretary of Transportation agreed that additional steps were needed to promote intermodal planning, concluding that carrying out GAO's recommendations would be a major step in improving State and local transportation planning. He stated that GAO's recommendations were under consideration for future action and were well represented in the proposed Highway and Public Transportation Improvement Act of 1978 which, among other things, would consolidate highway and transit planning funds for use in all transportation planning activities.

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ABBREVIATIONS

AASHTO	American Association of State Highway and Transportation Officials
ACIR	Advisory Commission on Intergovernmental Relations
FAA	Federal Aviation Administration
FHWA	Federal Highway Administration
FRA	Federal Railroad Administration
GAO	General Accounting Office
UMTA	Urban Mass Transportation Administration

CHAPTER 1

INTRODUCTION

Historically, Federal, State, and local governments have gradually expanded their roles in transportation. Responding to the public's needs and concerns, they have shaped programs to address specific problems. From their very limited role in the nineteenth century, these governments have now developed an array of programs, including economic regulation, financial assistance, the provision of facilities and supporting services, research and development, and safety.

With their expanded roles, governments have become involved in new and more complex concerns. They have found it necessary to look for ways to conserve energy and lower costs through modal coordination and apply their limited resources to only the most important transportation problems. As a result, these governments have recognized that they cannot continue to narrowly focus on the needs of individual modes. They have begun to take a broader view and to consider each mode as an integral part of an overall transportation system.

Transportation planning with this broader perspective is intermodal. "Intermodal planning" is defined as the serious examination of trade-offs and interactions between competing and complementary transportation modes. This differs sharply from multimodal planning, which examines a number of modes independently, with little or no consideration of the trade-offs or interactions.

Evidence of the trend toward intermodal plans and programs can be seen clearly in Federal legislation.

The Federal-Aid Highway Act of 1962, Pub. L. 87-866, 76 Stat. 1145, 23 U.S.C. 134(1970), states that:

> "It is declared to be in the national interest to encourage and promote the development of transportation in a manner that will serve the States and local communities efficiently and effectively. To accomplish this objective, the Secretary [of Transportation] shall cooperate with the States, as authorized in this title, in the development of long-range highway plans and programs which are properly coordinated with plans for improvement in other affected forms of transportation * * * ."

In the act establishing the U.S. Department of Transportation in 1966, Pub. L. 89-670, 80 Stat. 931, the Department is directed to "facilitate the development and improvement of coordinated transportation service * * * " 49 U.S.C.

1651(b)(i)(1970).

The Airports and Airways Development Act of 1970, Pub. L. 91-258, 84 Stat. 219, 49 U.S.C. 1712(b)(1970), states that:

> "In formulating and revising the plan [National Airport System Plan] the Secretary shall take into consideration among other things, the relationship of each airport to the rest of the transportation system in the particular area * * * and to developments forecasted in other modes of intercity transportation."

The Regional Rail Reorganization Act of 1973, Pub. L. 93-236, 87 Stat. 985, as amended by the Railroad Revitalization and Regulatory Reform Act of 1976, Pub. L. 94-210, 90 Stat. 31, states that the Interstate Commerce Commission's Rail Services Planning Office shall:

> "Assist the Commission in developing, with respect to economic regulation of transportation, policies which are likely to result in a more competitive, energy-efficient, and coordinated transportation system which utilizes each mode of transportation to its maximum advantage to meet the transportation service needs of the Nation."

In the September 17, 1975, Statement of National Transportation Policy, the Secretary of Transportation said Federal transportation policy should be to:

1. "Develop the necessary capability * * * to demonstrate what increased productivity and efficiencies are possible by furthering intermodal relationships."

2. "Identify and eliminate unreasonable barriers to intermodal cooperation."

3. "Develop incentives for more efficient intermodal services * * * ."

On November 16, 1975, the Policy Committee of the American Association of State Highway and Transportation Officials (AASHTO) adopted the National Transportation Policy. Here, too, the thrust was intermodal.

> "The nation's transportation plans and resulting programs, at all levels of government and the private sector, should give special emphasis to * * * integrated transportation systems. [They] should encourage the optimum use of existing facilities with extensions and expanded service where appropriate, the abandonment of unnecessary elements, the development of economic

transportation alternatives, the use of techniques to integrate modes, and the selection of best mode or combination of modes to provide the needed service."

As a matter of governmental policy, the emphasis on thinking about our transportation problems intermodally is clear. Less obvious is what this trend means in practical application. For example, can the cost efficiencies which result from intermodal coordination be determined? Can the effectiveness of alternative investments in different modes be measured on a common basis? Are the benefits of using an intermodal approach mostly overstated, or are they truly significant? What are the impediments to intermodal planning and can they be removed?

SCOPE OF REVIEW

To answer these and other related questions, we analyzed how the intermodal approach is now used in transportation planning. We reviewed federally assisted transportation planning programs and focused on activities in State transportation agencies. We believed that States would be a good indicator of the status of intermodal planning. First, the States are the largest recipients of federal transportation planning grants; second, States are in a unique position to analyze intercity and interregional freight and passenger movements; third, they are often mandated to plan for a variety of modes.

We interviewed officials and reviewed documents at Federal, State, and local levels. Our review was conducted at the headquarters offices of the U.S. Department of Transportation, including the Office of the Secretary, Federal Aviation Administration, Federal Highway Administration, Federal Railroad Administration, and Urban Mass Transportation Administration. Our fieldwork was conducted in the State transportation agencies of Maryland, Wisconsin, New York, Texas, and Iowa. These States were selected because they had differing population characteristics, transportation organizational structures, and transportation needs. They are, in our view, a representative cross section in terms of what planning is done and what problems they face when trying to do intermodal planning. To better understand the role of metropolitan planning organizations in State transportation planning, we drew upon our recently completed, extensive study of areawide and local planning.1/

1/See "Federally Assisted Areawide Planning: Need to Simplify Policies and Practices" (GGD-77-24, Mar. 28, 1977).

CHAPTER 2

STATUS OF INTERMODAL PLANNING

State transportation agencies have made little progress in doing intermodal planning. These agencies feel that intermodal planning will better help them find solutions to their complex transportation problems and allocate resources among the modes. They have made some progress; in certain instances, they have identified considerable savings for taxpayers and shippers. But for the most part, States are impeded from doing the types of intermodal analyses they want to do.

INTERMODAL PLANNING TODAY

Broadening the focus of their planning, State transportation agencies are beginning to look at a number of issues that cut across modal lines. One such issue is energy. State officials want to be able to assess how future transportation decisions will affect energy consumption and to find ways energy can be saved moving passengers and freight by different means. Another issue is intermodal impacts. New York and Wisconsin officials, for example, mentioned needing to know how a change in one mode affects others. States, in their rail planning, can use information on what effects abandoning a rail line will have on highway needs.

Passenger travel is a third area that cuts across modal lines. States want to look at intercity passenger movements by comparing air, bus, rail, and auto trips through a corridor in terms of cost, service, and energy use. States are concerned about urban passenger travel as well. Like the areawide and local planning groups, State transportation agencies are seeking ways to make highway and transit systems more cost effective, integrated, and energy efficient. Freight (or goods) movement is a fourth area where States have a great deal of interest. They want to study the potential of intermodal connections, for example, trucks and barge or rail and barge, and make sure shippers have good access to ports.

A fifth intermodal issue is resource allocation. State officials hope to learn how to better allocate their limited transportation resources among the modes. They want to develop ways to compare alternative investments on a basis common to all modes, so they can apply their resources to their most pressing, overall transportation needs.

State transportation agencies have had little success in doing the intermodal planning discussed above. They have,

over the years, done more narrowly focused planning and have defined what each mode's needs are. They have devoted hardly any effort toward the intermodal issues they now consider important. Therefore a large gap exists between what they want to do and what they are now able to do. Wisconsin officials summed up the problem well. They said their State had never suffered in the past because it had lacked an intermodal planning capability. Private and public companies had easily provided needed services. But now they have to look at a whole set of new questions, which involve access to ports, railroads, energy, and intercity passenger travel, and they find it difficult to fit the modes together.

Where States have begun to do intermodal planning, many have had encouraging results. In the freight movement area, State transportation agencies have pointed out how significant savings could be realized. In its July 1976 Comprehensive Upstate New York Ports Study, the New York State Department of Transportation estimated that shippers could save potentially over $36 million by routing cargo through five inland ports. In an earlier analysis of its barge canal system, New York showed that barges might have saved shippers up to $16.9 million in 1971 over the next least expensive mode (trucks). The Iowa Department of Transportation has recently instituted a joint rail-barge tariff. Its analysis of grain shipments from Madrid, Iowa, to New Orleans, Louisiana, found that moving grain by a rail-barge connection could be cheaper than by rail alone. The joint rail-barge tariff was filed with the Interstate Commerce Commission and became effective in August 1977, and Iowa is now encouraging shippers and carriers to participate.

In the area of urban passenger travel, the States and metropolitan planning organizations have been doing some successful intermodal planning. Encouraged by the U.S. Department of Transportation, State and local planners are beginning to analyze transit alternatives, including fixed rail, preferential bus and carpool lanes, and "park'n ride" connections. These types of analyses, for example, have made possible Texas' removing thousands of cars from urban traffic and Maryland's saving millions of dollars.

IMPEDIMENTS TO INTERMODAL PLANNING

State officials acknowledge that they are a long way from being able to do the intermodal planning they would like to do. Certain conditions must change, we believe, before States can do more and better intermodal planning. Currently they are impeded to some extent by their own institutional and legal barriers, and to a greater extent by the nature of Federal program and planning assistance.

Federal implementation programs are single-mode oriented

A primary reason why intermodal planning is in the early stages of development is that Federal capital and operating programs have been modally oriented. Many Federal and State officials told us that "programs drive the planning." Federal legislation has created separate air, highway, rail, and transit implementation programs. To only a very limited extent does the legislation permit State and local grantees to spend program dollars on other than the specified mode. The planning in each State we visited reflects this fact. The thrust of their planning has been to define what each mode's needs are, rather than what overall transportation needs might be.

We found the Iowa Department of Transportation to be typical in what it plans for and why. Iowa has statewide plans for the individual air, highway, and rail modes and establishes priorities for each mode separately. Iowa officials acknowledge their orientation to date has been single mode. Why? First of all, to receive Federal funds, they must meet Federal modal program requirements. Second, they feel the lack of flexibility in Federal capital programs inhibits them from intermodal coordination. For example, they told us that Federal highway funds cannot be used to build truck/rail piggyback terminals and Federal airport money cannot be used to build access roads to air terminals. Even if they could develop an intermodal solution which requires tapping various Federal modal program sources, the difficulties in coordinating the pieces can make the effort unattractive.1/ Iowa officials felt that, overall, their planning had a narrower focus because Federal implementation programs were single mode.

We found in other States this same pervasive feeling--that their planning is strongly limited by the nature of Federal programs. According to New York's transportation program plan, "categorical funding * * * requires that plans be made by mode." New York's officials contend that they adjust to what Federal money is offered and not to their own perceived needs. Furthermore, Federal funding's short-range pressures and modal imbalances inhibit them from taking a

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1/For further discussion of problems grantees have in coordinating different Federal program sources, see two other GAO reports: "Fundamental Changes Are Needed in Federal Assistance to State and Local Governments" (GGD-75-75, Aug. 19, 1975), p. 38, and "The Integrated Grant Administration Program--An Experiment in Joint Funding" (GGD-75-90, Jan. 19, 1976).

broader, intermodal point of view. A Wisconsin official said that to conduct and implement intermodal planning, increased Federal funding flexibility is needed. According to one Texas official, intermodal planning can be better supported if there are fewer strings attached to the Federal money coming in.

The Advisory Commission on Intergovernmental Relations (ACIR) concluded in its 1974 report on transportation that modally dedicated revenues (1) prohibit necessary intermodal funding flexibility and (2) can prevent States from realizing their potential for intermodal planning and policy making.1/ We agree with ACIR's findings. The continued development of intermodal planning will, to a considerable degree, depend on how much flexibility Federal programs allow.

Federally assisted planning is single-mode oriented

The inflexibility and modal bias characteristic of the Federal Government's capital and operating programs carry over to its planning grants as well. When State transportation agencies look to the Federal Government for planning assistance, they find air, highway, rail, or transit grants available but not intermodal grants. In addition, each mode's planning grant has its own application and award processes, guidelines, and allocation of funds. As a result, States are oriented to react to individual modes.

Because Federal funding is, by law, restricted to modally related activities, States find it difficult to get planning assistance for broader, intermodal planning. What the Maryland Department of Transportation had to do to get Federal support for its Statewide Goods Movement Study illustrates this point. Originally, Maryland officials hoped not to have to go to other than the Federal Highway Administration (FHWA) for funds, considering it a great amount of trouble to deal with more than one Federal agency. FHWA officials told them, however, that not all aspects of the study were eligible for Highway Planning and Research funds. Maryland then applied to the Federal Aviation Administration (FAA), which agreed to fund the air-related aspects of the study. Initially they were not able to obtain U.S. Department of Transportation planning grants for the port-related aspects. Maryland officials have, however, now applied for funding assistance from the Maritime Administration, Department of Commerce. The final budget of the Statewide Goods Movement Study follows.

1/See ACIR, "Toward More Balanced Transportation: New Intergovernmental Proposals," A-49, 1974.

Highway	- FHWA	$130,000
	- State matched	32,500
Air	- FAA	7,500
	- State matched	2,500
Ports	- Maritime Administration	20,000
	- State matched	20,000
State	- State only	22,500
	Total	$235,000

FHWA has, on occasion, encouraged States to use Highway Planning and Research funds for their multimodal State transportation plans. Maryland's Preliminary Transportation Plan and Iowa's Trans Plan '77, for instance, were fully eligible. Federal officials, however, have their approval authority limited to their own mode. As the Maryland Statewide Goods Movement Study example shows, limits do, indeed, exist. We believe such modal use restrictions, combined with the fact that no intermodal planning grants are available, impedes States from doing more intermodal planning.

Imbalances in U.S. Department of Transportation

The U.S. Department of Transportation has had a positive influence on the extent to which States have developed capability in each mode. However, funding and staffing levels for the Department's planning assistance programs differ greatly from one modal administration to the next and water and intermodal planning are virtually left out. This, we believe, impedes States from developing a more balanced, total transportation perspective in their planning.

How considerable is the Federal influence? Before Federal Railroad Administration (FRA) grants were available to them, several States had rail programs and just a few more had rail planning activities. Most States now have both. Before the Urban Mass Transportation Administration (UMTA) assisted State transit planning, less than a dozen States were involved in such planning. Nearly all are now. As of September 1976, some 45 States had air systems plans, but only two developed theirs without FAA planning grants.

Imbalances exist, however, in the Federal financial and staff assistance available to States. FHWA's Highway Planning and Research program sent States over $70 million in fiscal year 1976 (including the transition quarter), not including moneys passed through to areawide and local planning groups. FAA's Planning Grant Program obligated $6 million, a small percent of which went to State systems planning. UMTA's Technical Studies grants to States came to

roughly $4 million, and FRA's planning grants to States were $5 million. FHWA and, to a lesser extent, FAA have a developed headquarters and field technical assistance capability for assisting States in their planning. UMTA and FRA have not had such a capability. In fact, FRA, with no field staff of its own for planning, has had to use FHWA field personnel to assist State rail planners. FHWA officials told us their division (State) level offices would spend 8 to 16 man-days annually on rail-related matters. Finally, the U.S. Department of Transportation has no funds or staff available to States specifically for water or intermodal planning.

States have, along with the Federal Government, historically stressed highway planning. But now as States develop a broader planning perspective, they find the Federal Government has not assumed the necessary leadership. As long as the U.S. Department of Transportation does not promote intermodal planning and continues to place an unbalanced emphasis on its modes, States will make slow progress in developing a more balanced, intermodal planning capability.

States' own internal factors

The limited progress States have made in doing intermodal planning should be seen in context. The States' roles in transportation have been changing. Most State transportation agencies have only recently evolved from highway to transportation departments. Gradually the agencies have recognized that intermodal planning and decisionmaking have a great deal to offer.

Mostly a phenomenon of the last 8 years, roughly 40 State departments of transportation have now been created. According to the 1974 ACIR study, the most common reason given by States for forming a department of transportation is "the furtherance of a balanced, multi-modal transportation system." ACIR sees the expansion as the natural outgrowth of the increase in number of modes States are involved with, plus the recognition that transportation's increasingly complex problems leads to planning transportation as a system, rather than as a set of independent modes.

Our review confirmed ACIR's findings. We found States to be taking on broader responsibilities. Planning initiatives in Iowa, New York, Wisconsin, Texas, and Maryland are a good indication. All had either prepared or were preparing individual plans for most of their modes, and all but one had begun to bring all the modes together in State transportation plans.

Still, certain internal factors will impede States from taking an intermodal approach. In analyzing how to allocate

resources among the modes, for example, one constraint is dedicated funding. Many States, including two we visited, cannot use State highway trust funds for nonhighway purposes. If programs do, indeed, "drive the planning," dedicated funding will tend to bias decisions toward where the dollars are. State officials contend that inflexible Federal program funds narrow the scope of their planning; dedicated State funds have the same effect.

Another internal factor is fragmented authority. States are less likely to coordinate or integrate their planning if their transportation authority is institutionally fragmented. Although many States have established transportation departments, some still have not. And even in certain States that have, like Texas, planning for given modes is done outside the department. Rail planning, for example, is done outside the State highway or transportation department in 13 States. In Texas, we found little, if any, coordination between planners in the transportation department and the separate railroad and aeronautics commissions. Unlike the other States we visited, Texas has not yet begun to integrate its modes in a State transportation plan. We feel a strong link exists between having a single authority for all modes and successfully developing an intermodal planning capability.

Technical knowledge is lacking

Intermodal planning is in the early stages of development. State transportation planners do not have the tools to make the analyses their decisionmakers need. If all the impediments discussed above disappeared, States would still be held back by their lack of know-how. In a December 1976 paper for the Transportation Research Board, Mr. S.J. Bellomo reported:

> "Techniques used in statewide transportation planning and programming have originated from highway needs studies, from corridor/project planning, and from urban transportation planning. Often these techniques are inappropriate conceptually, are too demanding of time and data, or are not flexible enough to deal with the broader range of options being considered. Newer techniques that have been substituted, on the other hand, often suffer from insufficient conceptual development, lack of validation, incompleteness in terms of the system effects considered, or in terms of data needed to effectively use the techniques."1/

1/S.J. Bellomo, "Issues and Directions in Statewide Transportation Planning and Programming," Alan M. Voorhees and Associates, Inc., December 1976, p. 1.

Bellomo's conclusions were borne out in our discussions with State officials.

To decisionmakers, the most needed technique is a way of measuring the effectiveness of alternative investments. They want a more precise means of allocating resources among the modes or choosing the best solution to a given problem. The state-of-the-art in measuring transportation effectiveness is not well advanced. In a July 1977 report, the Urban Institute concluded that, except in the safety area, little had been done in measuring the outcome of transportation services.1/ Decisionmakers in Iowa and Maryland told us that, although they had gotten general intermodal guidance from their statewide transportation plans, what they really needed are good, understandable measures of effectiveness to select the proper modal or multimodal alternative to satisfy State policies.

Weaknesses in methods and data are considerable. State officials told us that the data they now had was not responsive to intermodal planning. They need better and more reliable information, for instance, on freight and passenger flows, railroads, and energy (particularly for rail and barges). Although some progress has been made in the rail branch line and transit alternatives areas, State officials feel the methods of making modal trade-offs are lacking. Not having much experience with intermodal methods, they want to be trained to use and/or informed about proven techniques.

1/Urban Institute, "Monitoring the Effectiveness of State Transportation Services," a report for the U.S. Department of Transportation and National Center for Productivity and Quality of Working Life, July 1977, p. xiii.

CHAPTER 3

CONCLUSIONS AND RECOMMMENDATIONS

CONCLUSIONS

As their roles in transportation have expanded and grown more complex, States have found narrowly focused planning no longer adequate. They want to bring a broader, intermodal approach to bear upon their future transportation decisions. They have done some intermodal planning and have, in certain instances, identified significant savings for taxpayers and shippers. However, States have developed only a limited intermodal planning capability at this time. We believe the Federal Government can and should do more to promote intermodal planning.

The U.S. Department of Transportation has taken certain steps in the right direction. For example, at the urban level, the Department has issued joint regulations for highway and transit planning and requires an annual unified work program identifying all federally sponsored transportation and related planning activities that will be undertaken within the metropolitan area. At the State level, the Department has built into the rail planning process the consideration of highway alternatives. However, it needs to do more.

We believe the U.S. Department of Transportation should administratively merge the modal administrations' planning staffs into one Department-wide unit and seek legislation to consolidate the airport, highway, railroad, and transit planning grants into a block grant for all transportation planning. The American Association of State Highway and Transportation Officials (AASHTO) has recommended that this be done as a "first step towards consideration of all transportation needs on a truly intermodal basis." From our review, we have concluded the following will and will not happen if there is a consolidation.

1. Coordination will be less difficult. We found fragmentation to be one of the major impediments to planning coordination and integration, not only in this review but also in our report on areawide planning.1/

2. Easier, more efficient grant delivery will result. Right now, each of the Department's modal administrations has its own unique set of award processes and institutional arrangements. Having one granting agency, rather than four, should certainly be easier and more efficient.

1/"Federally Assisted Areawide Planning: Need to Simplify Policies and Practices" (GGD 77-24, Mar. 28, 1977).

3. The Federal Government will be able to give more effective technical assistance. We believe the Department, by pooling its planning knowledge and resources, will be able to more effectively assist States. We found that staffing levels vary greatly from one mode to another. State officials told us that what they really needed was a Federal all-mode technical assistance capability at the State level. In helping the States and in developing intermodal techniques, a single unit can apply knowledge gained in all of the modes.

4. Flexibility in the use of Federal planning funds will encourage States to do intermodal planning. This is a crucial point. The Federal Government must recognize that, in the future, transportation planning will not always fit nicely into a given mode. We found States beginning to look at such intermodal issues as more efficient energy use, least cost for shippers, and the movement of people in a corridor. First of all, it makes no sense to have one mode pay for analyses that cut across many modes. But most important, States have found it difficult to get Federal funding for intermodal planning.

5. Air transportation planning will fit in well with other transportation planning. Some Federal officials contended that the relationship between the air and other modes was not that strong and that air transportation planning did not have to be part of the consolidation. We strongly disagree. For a range of issues, air is an integral part of a total transportation system. In the States we visited, for example, energy consumption, goods movement, and passenger travel studies have incorporated the role of the air mode.

6. The amount of planning grant funding will not necessarily have to increase, even though new types of planning may be undertaken (for example, water-related and intermodal planning). Through easier grant delivery and simplified practices, States will be able to devote more resources to planning and less to procedure. Also a number of States told us that Federal planning assistance distorted their planning priorities and that they would prefer to spend more of their Federal planning funds on intermodal work.

7. Planning will not be less effective if the planning function is taken from the Federal modal administrations, where the capital and operating programs are, and placed in a separate unit. First of all, the actual planning and programing is done not at the Federal but at the State level. By paying close attention to developments in the modal administrations' programs, a separate planning unit can certainly do the monitoring necessary to make sure Federal objectives and statutory requirements are followed. Second, as we concluded above, a single, all-mode planning unit can more effectively lend technical assistance. Having a separate

unit for planning is hardly unusual. Centralized, non-project planning is a fact of life in most State departments of transportation.

8. Totally coordinated and integrated transportation planning will not occur immediately. Consolidating the planning grants, we believe, is a necessary first step. This will require legislation. States will have to continue developing an intermodal planning capability, with the help of a more balanced U.S. Department of Transportation planning staff in headquarters and the field. The state of the art for intermodal planning techniques is not well advanced, so much will have to be done to develop the necessary planning tools. And, of course, other impediments to coordinated and integrated planning will remain. Inflexible Federal implementation programs, dedicated State funding, and fragmented authority need to be overcome for a truly intermodal approach to take hold.

RECOMMENDATIONS

We recommend that, to promote intermodal planning by State and local transportation agencies, the Secretary of Transportation

--seek congressional legislation to consolidate the airport, highway, railroad, and transit planning grants into a block grant for all transportation planning;

--merge existing modal planning staffs into a single, all-mode unit and build an all-mode field capability to assist State and local transportation agencies;

--develop unified planning regulations for all transportation planning;

--sponsor the development of and serve as a clearinghouse for good examples of intermodal planning; and

--conduct training programs for State and local transportation planners to acquaint them with proven intermodal planning methods.

AGENCY COMMENTS

The Department of Transportation agreed with our views that additional steps were needed to promote intermodal planning by State and local governments. (See app. I.)

Addressing our principal recommendation, which urged the Secretary to seek legislation to consolidate the airport,

highway, railroad, and transit planning grants into a block grant for all transportation planning, the Department cited the President's January 26 legislative proposal, the Highway and Public Transportation Improvement Act of 1978. This proposed act, among other things, would consolidate highway and transit planning funds for use in all transportation planning activities. Railroad and airport planning funds were not included in this legislation's proposed consolidation, but the Department stated it would consider doing so when it would take up the authorizing legislation for those modes.

The Department agreed with our other recommendations. It noted that it was making progress in coordinating and promoting intermodal planning in urbanized areas. Overall, the Department believed the implementation of our recommendations would be a major step in improving transportation planning as conducted by State and local governments.

STATE COMMENTS

Four of the five States we visited commented on our report. These States unanimously endorsed our recommendations to the Secretary of Transportation. Among their concerns about the consolidation of the Department of Transportation's planning functions are that 1) red tape and procedures be simplified and reduced, (2) each level of government--Federal, State, and local--concentrate on the scale of modal and intermodal planning that is appropriate, and (3) planning consolidation include the transportation programs in all Federal agencies, including the Department of Housing and Urban Development; the Department of Health, Education and Welfare; the Environmental Protection Agency; and others who fund transportation for specific clienteles. (See app. II.)

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

FEB 8 1978

Mr. Henry Eschwege
Director, Community and Economic
Development Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Eschwege:

I am forwarding for your consideration my Department's responses to the draft report "Making Future Transportation Decisions: Intermodal Planning Needed."

As a general comment on the entire study, we concur with the finding that additional steps are needed to assist state and local governments with intermodal transportation planning. Although your study was limited to five states, some of the same questions and opinions you mention were also received by a DOT internal Transportation Assistance Review Task Force established in May of last year to study reforms in our transportation assistance programs. This Task Force, with many of my key officials participating, traveled to fifteen communities in fourteen different states to hear the ideas, comments and recommendations of top level elected officials and transportation experts. We are moving to implement many of the recommendations which were received.

Your first recommendation is that I seek Congressional legislation to consolidate the airport, highway, railroad and transit planning grants into a block grant for transportation planning. On January 26, the President sent to the Congress a highway and transit legislative proposal that among other things, consolidates highway and transit planning funds for statewide and urbanized area transportation planning activities. While railroad and airport planning funds are not included in this legislation, we will consider such a consolidation when we take up authorizing legislation for those modes.

With respect to the second recommendation that we merge existing modal planning staffs into a single all-mode unit and build an all-mode field capability, we are currently discussing mechanisms for integrating functions within DOT. Emphasis will be directed toward building an intermodal system capability in the field to assist state and local governments. The proposed bill also provides that the Secretary prepare a plan for reorganizing elements of the Department of Transportation to establish a single surface transportation administration.

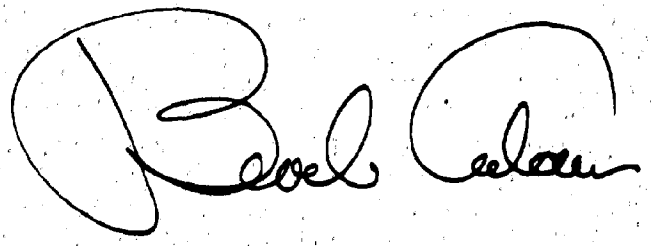
The report also recommends the development of unified planning regulations for all transportation planning. We currently have regulations on transportation planning jointly issued by the Federal Highway Administration (FHWA) and the Urban Mass Transportation Administration (UMTA) to govern the planning process in urbanized areas. Airport planning is also currently included in unified planning requirements for urbanized areas. Under our proposed legislation, the same planning requirements would govern both the public transportation and the highway programs. Further, a statewide planning process would be required, in addition to that presently required for urbanized areas. Planning for small urban and rural areas would be included in the statewide process.

The last two recommendations, that DOT sponsor the development of and serve as a clearinghouse for good examples of intermodal planning and conduct training for state and local transportation planners to acquaint them with proven intermodal planning methods, are worthwhile recommendations. FHWA and UMTA currently conduct an extensive set of training courses for state and local transportation officials. As our consolidated planning program develops we will consider additional techniques and patterns to implement your recommendations.

The GAO report is based mostly on field information obtained from state agencies. DOT's present intermodal planning efforts in more than 270 urbanized areas are not highlighted. Intermodal planning groups which have existed since 1972 in each of the ten Federal Regions play a significant role in coordinating and promoting intermodal planning in metropolitan areas.

In conclusion we believe the implementation of the GAO recommendations would be a major step in improving transportation planning as conducted by state and local governments. These ideas are well represented in the proposed Highway and Public Transportation Improvement Act of 1978 and are under consideration for future action.

Sincerely,



Brock Adams

STATE COMMENTS ON GAO REPORT: "MAKING FUTURE TRANSPORTATION DECISIONS: INTERMODAL PLANNING NEEDED"

We obtained comments on our report from four of the five States we visited in the review. These States unanimously endorsed our recommendations to the Secretary of Transportation. The excerpted comments below represent some concerns States have about the consolidation of Federal transportation planning functions.

NEW YORK

"We favor * * * consolidation of the United States Department of Transportation planning functions, especially in the field offices, along with the concept of intermodal planning grants and the development of unified and simplified planning regulations. We are concerned, however, that the resulting planning program must also recognize the necessity to do both modal and intermodal planning at all levels of government: federal, state, and local. Each level should concentrate on the scale of planning that is appropriate for that level of government. A desirable approach to restructuring federal transportation programs would be to develop a flexible program which allows agencies to do both modal and intermodal planning in a way that is appropriate to the particular circumstance."

MARYLAND

"The issue of whether to combine planning funds and planning staff may vary by State and could vary at the Federal level. The criteria for such a decision should be whether transportation requirements can be met in a more flexible and more responsive manner. There does seem to be a trend towards the consolidation of planning funds and perhaps planning staffs at the Federal level. As such, we think this is desirable providing the following concerns are recognized:

"1. States, through the Governor, and State Departments of Transportation should maintain a leadership role in the development of integrated transportation systems within the State and between adjacent States.

"2. Red tape and Federal procedures should be simplified and reduced."

TEXAS

"We agree that a duplication of effort exists in the [Federal] modal agencies' planning processes and we have encountered difficulty with the modal planning concept. Consolidating Department of Transportation planning would be a necessary first step. Nevertheless, in order to achieve truly cost effectiveness for planning and be able to evaluate all of the transportation alternatives associated with an area, the planning of all Federal agencies dealing with transportation should be combined. This would include HUD,1/ HEW,2/ EPA,3/ and all others funding transportation for a specific clientele. The duplication of planning and more especially the duplicated cost associated with implementation of the various Federal programs in different departments cannot be otherwise corrected. We strongly urge that you include in your recommendation to the Secretary of Transportation * * * that he seeks congressional action to consolidate all efforts in transportation planning, including those associated with the various other Federal agencies who fund transportation services."

1/ Department of Housing and Urban Development.
2/ Department of Health, Education, and Welfare.
3/ Environmental Protection Agency.

APPENDIX III

PRINCIPAL OFFICIALS RESPONSIBLE FOR
ACTIVITIES DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
DEPARTMENT OF TRANSPORTATION		
SECRETARY OF TRANSPORTATION		
Brock Adams	Jan. 1977	Present
William Coleman	Mar. 1975	Jan. 1977
John W. Barnum	Feb. 1975	Mar. 1975
Claude S. Brinegar	Feb. 1973	Feb. 1975
John A. Volpe	Jan. 1969	Feb. 1973
Alan S. Boyd	Jan. 1967	Jan. 1969

(34046)

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