

**REPORT OF THE  
DEPARTMENT OF TRANSPORTATION ON**

**THE FORMATION OF A MULTIMODAL  
PLANNING OFFICE TO REPORT  
DIRECTLY TO THE SECRETARY AND  
THE COMMONWEALTH  
TRANSPORTATION BOARD**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**SENATE DOCUMENT NO. 35**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
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## **PREFACE**

The Secretary of Transportation, Robert E. Martínez, was asked by the 1994 General Assembly through Senate Joint Resolution 100 (SJR 100) to consider the formation of a multimodal planning office to report directly to the Secretary and the Commonwealth Transportation Board.

This report was prepared under the direction of Mary Lynn Tischer by Anne E. Oman of the Virginia Department of Transportation (VDOT) Office of Policy Analysis. As required by the resolution, other agencies and affected parties were consulted throughout the process, including the Secretary of Commerce and Trade, the Secretary of Natural Resources, the Virginia Municipal League, the Virginia Association of Counties, and the Virginia Association of Planning District Commissions.

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## EXECUTIVE SUMMARY

The Secretary of Transportation, Robert E. Martínez, was asked by the 1994 General Assembly through Senate Joint Resolution 100 (SJR 100) to consider the formation of a multimodal planning office to report directly to the Secretary and the Commonwealth Transportation Board.

In the past, transportation plans and needs assessments were prepared by the separate modal agencies. Planning and decision-making activities were focused on single-mode highway transportation. Changing conditions have dictated a major new focus and approach. Virginia's transportation agencies have responded. The Transportation Secretariat has shifted its focus toward system choices, understanding that Virginia must have a vision for transportation that provides a coordinated, intermodal, comprehensive transportation system that effectively integrates all modes and establishes efficient connections among them.

The review undertaken to examine the multimodal planning processes of the state's transportation agencies indicates that there is no need to create an additional layer of bureaucracy -- a separate intermodal planning office -- to facilitate Virginia's commitment to a fully integrated intermodal transportation system. At this time, there appears to be little perceived need to establish this office and many concerns about its resulting in duplication of effort.



## **BACKGROUND**

Since the early 1980s, the structure, programs and financial management of the state's transportation agencies, particularly the Virginia Department of Transportation's (VDOTs), have been closely examined by legislative, executive and private entities to ensure that they are efficient and productive agencies.

From 1990 to 1992, the structure of state transportation functions was the focus of the Special Working Group Studying Virginia's Transportation Organization and Structure. This Group was established by Senate Joint Resolution (SJR) 30 (1990) and continued under Senate Joint Resolution (SJR) 161 (1991). Mandated to study the need for further consolidation and coordination of the various transportation modes in Virginia, the SJR 30 Working Group was divided into three committees: Organization and Policy; Transportation Safety; and Motor Carriers. The groups reviewed the organization and administrative structure of the Commonwealth's transportation function and made recommendations to the 1992 General Assembly.

Senate Document 16 (1992) reported the findings of the Special Working Group. It found that the organizational structure of the Commonwealth's transportation agencies was basically sound. The Group noted the need for coordinated, multimodal planning and recommended the creation of a separate Department of Rail and Public Transportation (DRPT), whose activities were handled within VDOT at the time of the study. The General Assembly agreed with this recommendation and passed legislation creating a Department of Rail and Public Transportation in the 1992 Session (1992 Acts, c. 167). The creation of the Department of Rail and Public Transportation served to place all modes of transportation on an equal footing. By creating a separate agency, reporting to the Secretary of Transportation, the interests of rail and public transportation could be directly relayed to the Secretary without screening. Thus, transit and rail had voices equal to that of highways, ports and aviation.

In August 1993, the Chairman of the Senate Joint Resolution (SJR) 240 Select Committee Studying the Transportation Trust Fund created an Efficiency Subcommittee. The subcommittee, chaired by Senator Gartlan, consisted of Senator Calhoun, Delegate Dickinson, Delegate Heilig, Delegate Purkey, and Senator Waddell, and was appointed to consider suggestions to improve the efficiency of state transportation operations. All members of the SJR 240 Committee were asked to identify ways to streamline existing transportation operations and report them to the subcommittee.

The subcommittee discussed a number of suggestions including:

- Combining the Highway Maintenance and Operating Fund and Transportation Trust Funds;
- Allowing localities to combine maintenance and construction allocations;
- Using more state force construction;
- Policies to reduce the highway construction backlog;
- Improving right-of-way acquisition;
- Allowing more local control of transportation decisions;
- Improving the exception process for design standards;
- Assigning Metropolitan Planning Organization (MPO) representation to district rather than central VDOT office;
- Instituting a centralized multimodal planning office.

The subcommittee provided a number of final recommendations. However, consensus was not reached on the suggestion to create a multimodal planning office reporting directly to the Secretary of Transportation. Although there was some sentiment that combining the planning functions of all agencies into one group could provide more effective multimodal planning, the group did not support the suggestion. Many of the members feared that even with the creation of a centralized multimodal planning office each individual agency would continue to need its own planning and policy function, thus making the new office simply another layer of bureaucracy.

## INTRODUCTION

In March of 1994, the General Assembly adopted Senate Joint Resolution (SJR) 100, whose chief patron was Senator Robert L. Calhoun (Appendix A: SJR 100). This resolution requested the Secretary of Transportation to, “consider the formation of a multimodal planning office to report directly to the Secretary and the Commonwealth Transportation Board.” To this end, Secretary Martínez consulted with the Secretaries of Commerce and Trade and Natural Resources, Virginia Department of Transportation (VDOT), Department of Rail and Public Transportation (DRPT), the Department of Aviation (DOAV), the Virginia Port Authority (VPA), the Virginia Municipal League (VML), the Virginia Association of Counties (VACO) and the Virginia Association of Planning District Commissions (VAPDC).

SJR 100 requires that the Secretary submit his findings and recommendations to the 1995 session of the General Assembly.

The issues that prompted this resolution are:

- ISTEA, the federal surface transportation legislation, requires state, regional and local governments to perform unprecedented planning and programming activities for federal highway, rail, and transit funds;
- The General Assembly has amended the Appropriation Act to allow the Commonwealth Transportation Board to allocate federal and state transportation funds in conformance with ISTEA;
- The flexible use of federal transportation funds is especially critical to the nonattainment areas of the Commonwealth in order to meet the regional clean air standards mandated by the Clean Air Act;
- The planning functions of VDOT, DRPT, DOAV, and the VPA traditionally have been conducted separately; some feel that does not provide enough emphasis on intermodal transportation as embodied in ISTEA.

In the past, transportation plans and needs assessments were prepared by the separate modal agencies which some argue did not derive from a truly integrated process that focused on the effective use of all modes. Planning and decision-making activities were too focused on single-mode highway transportation, with more emphasis needed on intermodal interactions. Changing conditions have dictated a major new focus and approach. Virginia’s transportation agencies have responded. The Transportation Secretariat has shifted its focus toward system choices, understanding that Virginia must have a vision for transportation that provides a coordinated, intermodal, comprehensive transportation system that effectively integrates all modes and establishes efficient connections among them. *Virginia Connections* identifies multi-agency working groups to address specific projects and planning issues without bloating agency staff.





## ISSUES

### FEDERAL INITIATIVES

Changes in federal law have contributed to the shift in focus toward multi- and intermodalism. In 1991, Congress passed a surface transportation reauthorization bill, the Intermodal Surface Transportation Efficiency Act (ISTEA), that goes further to broaden the planning and programming of transportation toward consideration of all modes than ever before. ISTEA's intermodal and multimodal provisions can be found throughout the law, in its statements of policy, redefined intergovernmental relationships, in the planning requirements for state and metropolitan areas, in funding categories and in eligibility rules.

### Intergovernmental Relations

ISTEA mandates change in the relationships among regional, local and state transportation organizations. For example, Virginia's eleven metropolitan planning organizations (MPOs) are responsible for developing, in cooperation with the state, long-range multimodal transportation plans and transportation improvement programs for their geographical areas. ISTEA expands the role of MPOs by requiring them to work with the state to create the management systems for the metropolitan areas and in large urban areas, MPOs have chief responsibility for the development of these systems. Now the MPOs in the large metro areas are the responsible agents for project selection for certain funding categories. ISTEA institutionalizes local and state coordination; cooperative efforts have existed for years, with ISTEA they are strengthened.

Many new regulations were promulgated to implement ISTEA. Two of the most notable are the Interim Final Regulations for the Management Systems and the statewide Planning/Metropolitan Planning Regulations.

### Management Systems

The Management System Regulations require each state to develop, establish, and implement a systematic process to manage pavements, bridges, safety, congestion, public transportation facilities and equipment, and intermodal transportation facilities and systems. The management systems are expected to provide a systematic process to assist states and MPOs in decision-making. These systems should improve the efficiency with which states use valuable resources and increase the safety of highways and transit facilities. Each system must include performance measures, data collection and analysis techniques, determination of needs, criteria used for selection of strategies, and an evaluation of effectiveness. The systems were not designed to be one or two-year projects. They represent a long-term, iterative approach to the way states do business.

The deadlines for implementation of these systems vary, but none is required to be operational until late 1995. The development of these systems involves an intensive re-examination of how transportation needs are analyzed and prioritized, a process that requires time. VDOT, DRPT, the Department of Motor Vehicles (DMV), DOAV, VPA and the MPOs are working together to develop the various systems. This process has facilitated the transition from mode-specific to multimodal planning.

The output from the Management Systems is to be input data for the Statewide Transportation Planning Process and the Metropolitan Planning Process. Together, the management systems and new statewide and metropolitan planning processes will change the way Virginia does business for years to come.

### Planning Requirements

The new planning regulations require each state to carry out a continuing, comprehensive, intermodal statewide transportation planning process. The focus of both regional and local planning is at the substate level; state planning is also mandated by ISTEA. The Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) have recognized the Department of Transportation as the responsible entity for multimodal transportation planning. The planning regulations require the development of a statewide transportation plan and a Transportation Improvement Program (TIP) that facilitate the efficient and economic movement of people and goods in all areas of the state. The statewide plan needs to consider a wide range of transportation needs for both passengers and freight and for all modes of transportation and their connections.

The planning regulations require the statewide transportation plan to address all areas of the state for a period of not less than 20 years. The plan must be intermodal and contain methodology for connecting bicycle transportation and pedestrian walkways with other modes. The regulations also require the states to consider explicitly 23 factors in developing their transportation plan, including methods to expand and enhance appropriate transit service, methods to reduce and prevent traffic congestion, use of life-cycle cost analysis in designs, innovative methods of financing, and effects of transportation on land use.

### Funding Flexibility

ISTEA provides the nation with an array of alternatives in creating a state-of-the-art intermodal transportation system, one of which allows each state to be more flexible in the use of the federal monies it receives. In the past, limitations existed on the modal use of federal highway funds. Now, these funds can be used for transit projects, bicycle and/or pedestrian facilities and certain rail projects, as well as for highway purposes, depending on the state's needs.

Virginia has made significant advances implementing these and other provisions of ISTEA that are designed to enhance intermodalism. For example, Congestion Mitigation and Air Quality funds (CMAQ) and Surface Transportation Program (STP) funds, as well as other traditional "highway" monies, have been programmed for transit and rail projects. Under the flexibility provisions established in Virginia's Appropriations Act, in the last two years, FY 94 and FY 95, transit has received \$47.3 million in ISTEA funds from the highway account that it would not have received without this flexibility. This amounts to an additional 30 percent on top of the state Transportation Trust Fund (TTF) and Highway Maintenance and Operating Fund (HMOF) allocations to DRPT for the two years.

These funds have been transferred to transit and other projects in Virginia's most congested regions -- those areas where the adoption of a multimodal perspective will best help the state fulfill the Clean Air Act Amendment (CAAA) conformity deadlines. The funds transferred have been in Virginia's three largest metropolitan areas, Richmond, Hampton Roads, and Northern Virginia.



## FINDINGS

As requested by SJR 100, the Secretary of Transportation consulted with the Secretaries of Commerce and Trade and Natural Resources, the state transportation agencies, VML, VACO, and VAPDCs to fulfill the requirements of the resolution. Although there was not absolute unanimity among the respondents, most of the comments reflected the general belief that creating a multimodal planning office reporting directly to the Secretary would not improve Virginia's intermodal transportation system. Some of the comments submitted are as follows:

“With regard to the issue of whether a multimodal transportation planning office should be established for the Commonwealth, I believe that this would not be the best avenue for increasing multimodal planning efforts...I do not believe that the creation of another planning department will provide the “connections” that ISTEA calls for. The functions of a multimodal planning division would likely be that of a liaison or “middle man” to run between the various departments and make some attempt to combine plans and efforts on shared issues. Rather than a middle man, it makes more sense to provide the forum for the departments or agencies to interact directly. In this way, the coordination and cooperation is not forced upon the implementing agencies by a third party.”

“The need for multimodal planning has been clearly demonstrated. Nevertheless, in my considered opinion, that need is being well addressed by your Secretariat through VDOT's Policy Analysis Office, Planning and Programming Group and your Virginia Transportation Research Council. Therefore, I believe that the creation of a separate multimodal planning office may be duplicative.”

“I am aware that Virginia has already started to coordinate transportation modes...As meetings are held weekly with various Transportation Departments to coordinate efforts and promote intermodalism, creating a new planning office seems unnecessary.”

“We feel that a multimodal office of planning could be a real benefit to the Commonwealth as we all attempt to plan for and determine our transportation needs for the future. Any such planning office should not duplicate existing planning efforts being conducted by the various Departments within VDOT at this time, but a consolidated effort if possible.”

“Currently there may be a perception among many county officials that the Commonwealth has been hesitant to embrace a multimodal and balanced approach to transportation planning. If the creation of a multimodal office improves the

opportunities for coordination and communication between the different transportation modes, then we believe it is an approach worth pursuing.”

“...We therefore would like to express our concern over the creation of another state office responsible for transportation planning. If the intent of this proposal is to be responsive to ISTEA and provide a forum for all modes, it may be more effective to modify the state’s transportation planning mission and internal structure. From a local perspective, this would better prevent more bureaucracy and remove any risk of duplicative efforts.”

“We could not, based on our particular situation, ask that a Departmental level intermodalism office be established. A position of intermodal transportation coordinator and liaison within the Secretary’s office might provide an approach to meeting the concerns for intermodalism.”

As the comments above indicate, the consensus is that creating a new office in the structure of state transportation agencies will not result in improved planning in and of itself. An additional office would result only in a change in reporting relationships. To develop a truly effective, forward-looking transportation system for Virginia, the institutional philosophy of these agencies must be altered. The focus for improving multimodal transportation planning should be on coordination, communication and cooperation among the groups already taking part in planning efforts.

## STATE INITIATIVES

What efforts have been undertaken by state transportation agencies to improve planning efforts? In addition to expanding multimodal transportation planning activities in order to comply with federal law, Virginia has initiated a number of improvements related to state inter- and intra-agency cooperation and coordination. The continuing refinement of VDOT’s organizational structure and strategic planning effort also will facilitate improved transportation planning.

Since taking office last year, Secretary Martínez has instituted a number of changes to improve intermodal planning. A change that symbolizes Secretary Martínez’ commitment to intermodalism is that he has moved his offices from the 9th Street Office Building to the Department of Transportation’s Annex Building, thus affording himself daily contact with the two agencies -- VDOT and DRPT -- housed in that building. This has improved communication among the Secretary and his agencies, and between VDOT and DRPT. Locating the Secretariat offices at VDOT/DRPT provides the Secretary ready access to two of his agency heads as well as agency personnel. In the past, the duties of the agencies in the Secretariat were quite distinct from those of the Secretary. Secretary Martínez is focusing on helping the agencies of the Secretariat make the transition from mode-specific to system planning.

To facilitate these efforts, the Secretary of Transportation has begun holding joint weekly meetings with all agency heads in his Secretariat, providing a forum to discuss transportation needs from a multimodal perspective. These meetings allow the Secretary to hear debate on controversial topics before making a final decision.

Before serving in the Allen Administration, Secretary Martínez was the Director of USDOT's Office of Intermodalism in the Bush Administration. This experience implementing the philosophy behind ISTEA fully prepared him to implement those principles in Virginia. He strongly supports a holistic approach to transportation and places a new emphasis on intermodalism. To date, this has been the focus of his administration.

One of Secretary Martínez' first major initiatives after taking office was a strategic planning process for Virginia's transportation system. A series of forums was held to engage the public and private sector transportation stakeholders in a dialogue to help define and articulate how a vision for Virginia's transportation system could be put into action. The forums, involving about 200 participants, were held across the Commonwealth. Additionally, individuals and organizations provided written comments. Hundreds of ideas and suggestions provided by these participants were reviewed and summarized by working groups to help develop the report. Many of the action items included in the final report were a direct result of comments received at the forums. A final public meeting, held to provide stakeholders an opportunity to comment on an interim report, was held in November. The six-month process culminated in the release of a final report in December. The final report, *Virginia Connections*, sets forth seven principles guiding the Transportation Secretariat: Intermodalism, Deregulation, Economic Development, Markets, Privatization, Freight, and Technological Leadership and Safety.

The mission statement in *Virginia Connections* states, "Virginia will have a safe, efficient, intermodal transportation system with seamless connections among all modes. The Commonwealth will develop a balanced, environmentally sound transportation system that provides mobility, responds to the market and fosters economic prosperity with a range of viable modal choices. Transportation policies and planning will emphasize the movement of people and goods from origin to final destination rather than mode-specific travel."

The *Virginia Connections* strategic plan includes two overarching goals designed to enhance intermodalism: the identification of opportunities to enhance strategic intermodal connections; and the development and improvement of state-level intermodal planning and encouragement of intermodal planning efforts of regional agencies. The plan includes action items designed to fulfill these goals, including the following:

- Conduct a detailed inventory of Virginia's intermodal facilities and identify existing and projected bottlenecks at critical access points between modes.
- Identify strategic passenger and freight intermodal corridors in the Commonwealth and needed project improvements along them.



- Support the improvement and further development of strategic intermodal centers such as Dulles International Airport, the Ports of Hampton Roads, and the Virginia Inland Port.
- Recommend that representation on the MPOs be broadened to include all modes as well as freight groups.
- Improve communication among modes by establishing and improving institutional relationships among statewide, regional and local modal organizations.

All the action items outlined in *Virginia Connections* are accompanied by time frames and an assignment of responsibility. The strategic plan does not include amorphous goals, only activities that will be implemented during the Allen Administration, most during the next year.

In keeping both with the action items outlined in *Virginia Connections* and federal requirements, the agencies in the Transportation Secretariat developed a statewide, multimodal, 20-year transportation policy plan which was submitted to FHWA in December. This plan outlines how Virginia will program its transportation infrastructure investments with an intermodal focus, taking into consideration bicycle and pedestrian facilities, access to ports, airports, intermodal facilities, major freight distribution routes and military installations. The plan addresses connectivity among modes and among metropolitan areas. It includes methods to enhance and expand transit services and to increase usage. This plan provides an overarching policy for transportation in Virginia and is another example of how Virginia is moving in the right direction.

In addition to the initiatives undertaken within the Transportation Secretariat, Secretary Martínez has forged a close working relationship with the Secretariat of Commerce and Trade, and the transportation agency under that Secretariat, the Virginia Port Authority. The Secretary of Transportation has been involved in the development of the strategic plan for the Ports of Hampton Roads and an assessment of the Virginia Inland Port. He also has been an active participant in Opportunity Virginia -- the strategic plan for economic development.

SJR 100 suggests consideration of a multimodal planning office reporting directly to the Secretary and the Commonwealth Transportation Board. This structural change is not necessary; the CTB already provides oversight for most surface modes of transportation, including highways, ferries, public transportation, and commuter and other passenger rail. And, although the CTB does not oversee the activities of the Department of Aviation, this agency has its own policy board with which the CTB works to provide ground access to Virginia's airports.

The present system in Virginia government indicates that in order to maintain continuity and retain an experienced professional staff these activities are better undertaken at the agency level, receiving overall policy direction at the Secretariat level. It is important to ensure that expertise resides in the agencies and the Secretary provides coordination. Without this arrangement, the strong working relationships among transportation providers that currently exists would suffer.

## RECOMMENDATION

The review undertaken to examine the multimodal planning processes of the state's transportation agencies indicates that there is no need to create an additional layer of bureaucracy -- a separate intermodal planning office -- to facilitate Virginia's commitment to a fully integrated intermodal transportation system. At this time, there appears to be little need to establish this office and there are many concerns that it would result in duplication of effort. Indeed, if there is something wrong with the Commonwealth's transportation planning efforts, it is incumbent upon the Secretary to address directly the planning process. Creating another office does not effect the quality of planning.

Secretary Martínez' guiding principles, outlined in his strategic plan for transportation, *Virginia Connections*, gives the highest priority to intermodal projects. He has changed the culture within state transportation agencies, refocusing efforts from to systems integration. Improvements in statewide planning and the development of the ISTEA management systems initiatives introduced in the past year by the Secretary of Transportation have enhanced Virginia's multimodal planning efforts and make the creation of a multimodal planning office unnecessary.

And finally, in keeping with Governor Allen's desire to streamline government and reduce duplication and inefficiency, an additional office would require additional staff and add a new level of planning review, actions inconsistent with tthe Administration's policy.



SENATE JOINT RESOLUTION NO. 100

(Reprint)

*Requesting the Virginia Secretary of Transportation to consider formation of a multimodal planning office.*

Agreed to by the Senate, February 14, 1994

Agreed to by the House of Delegates, March 4, 1994

WHEREAS, the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) grants unprecedented planning and programming of federal highway, rail and transit funds to state, regional and local governments; and

WHEREAS, the increased emphasis on intermodal transportation facilities presents the Commonwealth of Virginia with opportunities to allocate federal highway, rail and transit funds in a much more flexible manner; and

WHEREAS, the General Assembly has recognized this fact by amending the Appropriations Act in 1992 and 1993 to allow the Commonwealth Transportation Board to allocate federal and state highway, rail, and transit funds in conformance with ISTEA; and

WHEREAS, the flexible use of federal transportation funds is especially critical to the nonattainment areas of the Commonwealth in order for them to meet the regional air pollution standards mandated by the Clean Air Act; and

WHEREAS, the planning functions of the Department of Transportation, the Department of Rail and Public Transportation, the Department of Aviation and the Virginia Port Authority have not kept pace with the increased funding flexibility and emphasis on intermodal transportation embodied in ISTEA; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Secretary of Transportation consider the formation of a multimodal planning office to report directly to the Secretary and the Commonwealth Transportation Board. The Secretary of Transportation shall consult with the Secretary of Commerce and Trade, the Secretary of Natural Resources, the Department of Transportation, the Department of Aviation, the Virginia Port Authority, the Virginia Municipal League, the Virginia Association of Planning District Commissions and the Virginia Association of Counties to consider the organization and function of a multimodal planning group.

The Secretary shall report his findings and recommendations to the Governor and the 1995 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

**Calculation of the DRPT allocations for FY 94 and FY 95**

**FY 94** from page 16 of Ernies 5/26/93 spreadsheet

TTF: 38,790,600 1986 Special Session Revenue  
771,000 interest revenue  
39,561,600 Total

HMOF: 35,050,000 State Appropriation  
215,000 WMATC  
1,075,700 Routine Ops/Public - from VDOT 60904  
141,600 Directors Office - from VDOT 61901  
589,700 Routine Ops/Rail - from VDOT 60309  
37,072,000 Total

Grand Total 76,663,600

**FY 95** From the DRPT FY 95 Budget, explanations provided by Ernie

TTF: 42,090,500 1986 Special Session Revenue  
499,000 Interest Revenue  
42,589,500 Total

HMOF: 38,491,121 Total

Grand Total 81,080,621

Two Year Total 157,744,221

Two Year Transfer ISTEA Funds: 47,900,000

Percent Increase over mandated state funding: 30 percent