

**Transportation and Smart Growth Provisions in the
Clean Energy Jobs and American Power Act**
October 28, 2009

Greenhouse Gas Emissions Reductions Through Transportation Efficiency (Division A, Sec. 112),
Transportation Greenhouse Gas Emission Reduction Program Grants (Division A, Sec. 113),
Investment in Greenhouse Gas Reductions from the Transportation Sector (Division B, Sec. 215)

Policy

Section 112 of the Clean Energy Jobs and American Power Act integrates accountability for reducing greenhouse gases (GHG) into transportation planning and infrastructure decisions. Below is a brief summary of the provisions of Sec. 112.

National Transportation GHG Reduction Goal

- Directs the EPA Administrator to consult with the DOT Secretary to establish a national goal for transportation-related greenhouse gas emissions reductions commensurate with the goal in the overall bill, recognizing the need for complementary actions beyond the cap to reduce emissions in the transportation sector.
- EPA and DOT assess progress toward reducing transportation-related GHGs every 6 years.

Models and Methodologies

- EPA in consultation with DOT develops models, methodologies and best practices for states and regions to use when developing transportation sector greenhouse gas emissions reduction targets and plans.
- DOT in consultation with EPA improves transportation planning models, tools and can update planning requirements to meet the goals of this section.

Transportation Planning Process to Include Oil & Sustainability Considerations

Amends the state and MPO transportation planning process to add additional factors to consider, as well as additional agencies to coordinate with when developing their long-range transportation plans:

- Adds to the policy section that it is in the national interest for transportation planning decisions to: reduce (replacing minimize) fuel consumption, as well as minimizing reliance on oil, impacts on the environment, and transportation-related greenhouse gas emissions.
- Adds to planning factors that should be considered in the transportation planning process to include: promote sustainability and livability, reduce surface transportation-related greenhouse gas emissions and reliance on oil, adapt to the effects of climate change, and improve public health. These factors get added to an existing factor that deals with the environment, energy, and quality of life. Also includes need to promote consistency between transportation improvements and housing and land use patterns.
- MPO long-range transportation plans must be developed in cooperation with state and local agencies responsible for transportation, public transportation, air quality, and housing, and in consultation with public health agencies among other agencies.

Greenhouse Gas Reduction Targets and Strategies in State and MPO Planning

Amends the state and metropolitan planning process to include transportation-related greenhouse gas reduction targets and strategies and increase coordination between agencies:

- Requires States and large MPOs (above 200,000) to develop surface transportation related greenhouse gas emission reduction targets and strategies within two years of final regulations from EPA. Smaller MPOs can opt-in to the process.
- Sets minimum requirements for these targets and strategies that they should:
 1. Demonstrate progress in stabilizing and reducing emissions;

2. Inventory surface transportation related GHG emissions;
 3. Apply to modes of surface transportation addressed within the existing planning process;
 4. Use the models and methodologies developed by EPA and DOT;
 5. Be integrated into state and MPO transportation plans and TIPS;
 6. Use scenario analysis to evaluate the emission reduction effects of a variety of strategies, such as: public transportation, walking and biking infrastructure, zoning and land use changes, travel demand management (including pricing, telecommuting, carpooling), better system management, intercity passenger rail, bus and freight, hybrid vehicle facilities, and other efforts that are shown to reduce GHGs from transportation.
- Requires each MPO and state to publish these plans and targets on their website and submit to the DOT Secretary as a part of their regular long range transportation plans.
 - DOT and EPA will review and approve the greenhouse gas emission reduction plans based on whether the plan is likely to achieve the greenhouse gas emission target and complies with the minimum requirements.
 - There is no penalty for non-compliance, except that the state or MPO is not eligible for the funding described below.

Funding:

Section 215 of the Clean Energy Jobs and American Power Act outlines the funding available for Sections 112 & 113, as well as formula funding for public transportation. Section 215 stipulates that Sections 112 & 113 receive 50 percent of the funding available (average of 1.2% of bill allowances annually), and public transportation receives the remaining 50 percent of the funding available.

These programs are funded with two sources in the bill:

- 1) Section 111 (a)(10) of Division B, Transportation Greenhouse Gas Reduction, allocates allowances over the life of the bill to Section 215. These percentages are taken after the Initial Reservation of Allowances (Section 111 (d)) and as a result, are slightly lower relative to the overall 100 percent of allowance value.
- 2) Section 111 (d)(4) of Division B, Transportation Greenhouse Gas Reduction, allocates an additional 1 percent of the bill's allowances to Section 215, which represents a full percentage point, since it falls under the Initial Reservation of Allowances section.
- 3) The total percentage of funding for Section 215 (public transportation and competitive grants/planning) amounts to an average of 2.4 percent annually of the total bill's allowances.

Planning & Competitive Grant Program (Policy in Division A, Section 113; Funding included in Division B, Section 111 (a)(10) and (d)(4))

- Average annually of 1.2% of bill's allowances
- Maximum of 10% of funds in this section for MPOs to develop the greenhouse gas reduction plans, distributed by formula based on population.
- DOT in consultation with EPA would develop criteria for distributing the remaining funds as grants to states and MPOs for projects and programs within transportation greenhouse gas reduction plans. The federal share is 80%. The formula takes into account:
 - Quantity of GHG reductions estimated from plan
 - Cost-effectiveness of GHG reductions over the life of the plan
 - Progress toward achieving reductions
 - Reductions previously achieved
 - Plans that address mobility needs of people without cars, with low incomes, minorities, the elderly, disabled, etc
 - Other factors such as innovative approaches, economic development, and other benefits.

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- States and MPOs can sub-grant funds to local governments, air quality agencies, zoning commissions, transit agencies and other non-eligible public entities.

Transit Funding (Policy in Division B, Section 215; Funding included in Division B, Section 111 (a)(10) and (d)(4))

50% of total funding in Section 215, equal to 1.2% of the bill's allowances on average annually, is allocated to public transportation agencies, which can be used for capital needs and preventative maintenance (as well as potentially operating assistance in areas under 200,000), which is distributed as follows:

- 80% to urbanized areas through section 5307 of title 49
- 10% to urbanized areas via the growing and high density states formula through section 5340 of title 49
- 10% to areas other than urbanized ones through section 5311 of title 49