A Blueprint for Presidential Leadership

David R. Goode
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The Miller Center  
Charlottesville, Virginia
It has been over 20 years since the Interstate Highway System was declared “complete.” Yet, since that time policymakers have struggled to develop a new vision to guide America’s transportation infrastructure. Since the launch of the biennial David R. Goode National Transportation Policy Conference in 2009, the Miller Center has brought together the leading thinkers in transportation policy from the academy and the public and private sectors on three occasions to answer this challenge and develop a bipartisan way forward.

In the inaugural Goode Conference, held in September 2009, over 80 distinguished leaders in transportation policy convened in Charlottesville to examine the question: “What should our nation’s new transportation agenda look like?” The resulting report, entitled *Well Within Reach: America’s New Transportation Agenda*, was praised by President Obama in a Rose Garden ceremony as a model of fresh, bipartisan ideas, and was covered widely by the media across the country. Two years later, the second Goode Conference focused its attention on how to craft a compelling message that captures the attention of the American public, and resulted in the publication of *Are We There Yet? Selling America on Transportation*.

As we have seen throughout history, major advances in transportation policy rarely occur without the president playing a lead role. It is hard to imagine the Interstate Highway System, the U.S. Department of Transportation, or the Intermodal Surface Transportation Efficiency Act without the leadership of Presidents Eisenhower, Johnson, and George H.W. Bush. In contrast, administrations that placed less emphasis on transportation policy coincided with times of inertia or even regression. Building on the work of the first two Goode conferences, then, this year’s conference, “A Blueprint for Presidential Leadership,” examined the historical role of the president in transportation policy with the goal of crafting a blueprint for how the president can develop and advance a comprehensive vision today.

It was an especially opportune time to survey how presidents have guided transportation policy historically, and how an expanded or re-envisioned executive role might be needed. Last summer, after seven years of short-term, stop gap measures, President Obama worked with Congress to pass a two-year surface transportation legislative
package, MAP-21. Still, MAP-21 did not address the myriad issues plaguing transportation policymaking and it expires in 2014, meaning that Congress and President Obama must again embark on the contentious negotiations that any transportation reauthorization demands. Determined presidential commitment will be required if progress is to be made. The timing of the Miller Center’s Goode Conference was also propitious because it occurred on the day of Mayor Anthony Foxx’s nomination as the next Secretary of Transportation. This change of leadership offers the administration the opportunity to reset and reinvigorate its transportation agenda.

The conference included sessions on the role that presidents have played in the enactment of transportation policymaking historically, as well as the role that they could reasonably play in the future, while also recognizing the political realities presently at play. A three-hour special oral history featuring six former U.S. Transportation Secretaries—James Burnley, Samuel Skinner, Andrew Card, Rodney Slater, Norman Mineta, and Mary Peters—illuminated the lessons of history from previous administrations, and outlined pathways for progress in President Obama’s second term. Finally, Congressman Jim Oberstar, who served as both chair and ranking member of the House Transportation and Infrastructure Committee, reflected on his work with seven administrations through the lens of Congress.

These sessions generated spirited and substantive discussion on the role of the president in transportation policy, which informed us in crafting the set of recommendations contained in this report. We offer the President seven ideas for bold action to alter the trajectory in transportation policy: 1) changing the narrative, 2) developing creative funding ideas, 3) leveraging new and emerging technology, 4) seizing bipartisan opportunity, 5) disentangling the system, 6) engaging the private sector, and 7) rolling up his sleeves and working with members of Congress. As the President and Congress turn their attention to the next reauthorization, it is our hope that these recommendations will provide useful guidance for the President so that he may assume a role that ensures future transportation policy will be equal to the transportation challenges facing us.

We express our deepest gratitude to David R. Goode, retired chairman, president, and CEO of Norfolk Southern, for endowing this biennial conference. And we thank you, the reader, for your continued interest in the Miller Center’s Goode Conference, and look forward to continuing the dialogue on this issue so vital to America’s future.

Gerald L. Baliles
Director & CEO
November 2013
America’s transportation infrastructure is in a state of disrepair, and existing policy is unable to meet the nation’s current and future needs. Informed by the deliberations of the 2013 Goode Conference, the Miller Center proposes seven recommendations the President can act on to change the trajectory and chart a new course in transportation policy—one that will ensure the fast and efficient movement of people, goods, ideas, and information necessary in the 21st century global economy.

1. **Change the Narrative** (p. 20)

The nation’s transportation needs must be recast in a new, compelling narrative in order to attract the public’s attention. The President’s message must include a positive, forward-looking tone; a well-defined but flexible campaign plan keyed to political rhythms; and a concerted effort to link local transportation investments with national goals like jobs and economic growth.

2. **Get Creative on Funding** (p. 21)

Americans have enjoyed an ever-increasing freedom in personal mobility, but the current funding mechanisms are insufficient for the transportation needs of today and tomorrow. In this current era of fiscal constraint, the President must “think outside the box” and devise creative, new options to secure steady and reliable revenue streams.

3. **Leverage New Technology** (p. 22)

Over the next decade, a series of groundbreaking technological advances are expected to dramatically reshape society. The President’s transportation vision must harness the power of cloud computing, advanced energy extraction, the Internet of Things, and other emerging technologies and leverage these breakthroughs to create a smarter and better-connected infrastructure.
4. Seize Bipartisan Opportunity  (p. 23)

Although consensus is difficult to reach on many aspects of transportation policy, there are several ideas that enjoy near-universal support from both branches of government and both parties. The President should work with Congress to quickly enact popular, attainable proposals, such as restructuring the air traffic control system and crafting a national freight plan.

5. Disentangle the System  (p. 24)

As transportation systems and the policies governing them increase in complexity, the number of invested parties and players also expands. The President must work to streamline America’s transportation governance structure in order to minimize duplicative efforts and remove unnecessary red tape on worthwhile projects.

6. Engage the Private Sector  (p. 25)

Private investment in infrastructure holds significant potential for budget relief, enhanced project efficiency, and the injection of much-needed capital. With proper safeguards in place, the President should take the lead in securing an easier path for public-private partnerships to play a larger role in infrastructure management and funding.

7. Lead the Way, Mr. President  (p. 26)

No president has enacted significant transportation legislation without inserting himself into the policy process. Personal and sustained presidential attention, including engagement with congressional leaders, will elevate transportation policy in the national consciousness and increase the odds of progress.
THE PRESIDENT AND TRANSPORTATION POLICY: 
FDR to Obama

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Before urging President Obama to take the lead in crafting a new transportation agenda, we must first understand the history of modern presidential leadership in transportation policy and the lessons that can be applied to the contemporary debate. The focus of this essay is to explore where presidents from Franklin Roosevelt to Barack Obama attempted to reshape the transportation policy agenda. In some cases, those presidents succeeded, but only partially and at considerable political and even personal cost. To be sure, these short case studies do not represent an exhaustive list on the topic, but they do offer important insights that might inform President Obama and his administration’s decision-making.

Franklin Roosevelt, the New York World’s Fair, and “Futurama”

In 1939, ordinary Americans judged the notion of a system of interconnected highways decidedly futuristic. In fact, thousands stood in long lines at the New York World’s Fair that summer, seeking admission to General Motors’ “Futurama,” the fair’s most popular attraction. Once inside, seated visitors observed GM’s vision of America in 1960, which promised economic and urban revitalization built around freeways, cars, and trucks. Automobiles from farm and feeder roads would “join the Motorway at the same speed as cars traveling in the lane they enter,” a recorded voice promised visitors, and express highways would be “so routed as to displace outmoded business sections and undesirable slum areas.” Around that same time, senior engineers located in the U.S. Bureau of Public Roads outlined a vast plan for expressway construction that would, they contended, improve traffic, transform city centers, and boost the pace of economic growth.

President Roosevelt attempted to convert Futurama’s popular appeal and his road engineers’ specific plans into legislation. Roosevelt and legislators sought to develop a legal and financial rationale to launch an expressway construction program financed
through a process called excess condemnation. The federal government would purchase more land than needed to build an expressway system and then sell the excess at a profit to developers to construct homes and businesses along the right of way.

Roosevelt also planned to charge tolls. He wrote to his budget director on April 1 that “the Treasury is unable to finance even the beginning” of a national expressway program unless tolls were collected and land adjacent to roads sold at a profit. Starting in 1941, moreover, the President and his top advisors turned their attention to preparing roads for war.

In 1944, Congress authorized construction of the Interstate Highway System. Hoping World War II would end in the next year or two, political leaders sought to develop projects that would put returning veterans to work. However, Congress did not actually designate the precise Interstate routes nor did they appropriate funds to construct the Interstate. Instead, members of Congress appropriated $500 million annually to build rural routes and their connections in cities. With traffic increasing rapidly in urban areas, mayors in Chicago, Detroit, and other big cities often took the lead at the local level to develop expressway projects financed through revenue bond issues.

Roosevelt failed to fully realize his plans for a vast and interconnected expressway system while in office. Yet, the Roosevelt administration had made highways and other public works keys to the nation’s economic recovery. In his solid commitment to improvements in infrastructure, Roosevelt established a link between public works projects and the nation’s economy still advocated today. Foreshadowing the direction of presidential transportation politics up to the late 1960s, Roosevelt also took a cautious approach to highway spending. Subsequent presidents followed his lead, seeking to limit direct federal spending for transportation improvements while still touting the economic growth potential that those improvements offered.
Between 1945 and 1955, the number of cars, buses, and trucks crowding streets and highways doubled to 62 million, traffic jams delayed passengers and slowed deliveries, and public safety became a central concern as the annual death toll from automobile accidents continued to climb.

President Dwight Eisenhower, like Roosevelt, supported massive spending increases for road building. However, Eisenhower wanted road users—rather than the Treasury’s General Fund—to pay for those roads. Eisenhower asked retired U.S. Army General Lucius D. Clay to assemble the long-sought coalition to fund construction of the Interstate System. Clay and his commission members formulated a plan clearly delineating the federal, state, and local roles in financing, envisioning a highway corporation that would issue revenue bonds tied to the gasoline tax, and developing these highways. In July 1955, however, the plan was defeated in both the House and Senate, and Congress adjourned without a highway bill. Economist Arthur Burns, an Eisenhower adviser, recommended calling Congress back into session. Years later,
however, the President himself wrote that reconvening Congress “could be at the cost of the sanity of one man named Eisenhower.”

Formulation of the plan—and the solicitation of opinions from numerous interested parties, the identification of a devoted revenue stream, and the long-range planning it encompassed—laid important groundwork for implementing a national highway system. Sufficient momentum existed to strike a compromise in the spring of 1956, and on June 29, Eisenhower signed the Federal-Aid Highway Act of 1956 into law. The eventual enactment resulted from compromise and presidential persistence—both from Eisenhower and previous presidents who originally supported the idea—but it was decades in the making. Eisenhower later noted that he “just wanted the job done.”

The launch of the Interstate Highway System places Eisenhower in the center of this nation’s transportation history. And, the common narrative is that Eisenhower seized upon a prosperous and apolitical moment and legislated the monumental project almost single-handedly. However, this interpretation of Eisenhower as the sole negotiator—and of the mid-1950s as a Golden Era in federal public works projects—overlooks the Interstate System’s lengthy and often-tortured history, as well as the myriad players involved in its development.

**Lyndon Johnson and the Department of Transportation**

President Lyndon Johnson advanced another idea that had circulated for years after being proposed previously by both the Hoover Commission and Eisenhower—the creation of a cabinet-level department governing transportation policy. This proposed Department of Transportation (DOT) would consolidate numerous agencies and centralize transportation policymaking under the authority of one department. In July 1966, Johnson asked top aide Joseph A. Califano, a special assistant focusing on domestic issues, to oversee efforts to create the DOT (Califano had been working on the transportation department concept in July 1965).

A second mission of the DOT would be to initiate efforts to deregulate rail, truck, and airline firms. To that end, Johnson wanted the chair of the Interstate Commerce Commission (ICC), a regulatory agency that determined rail and truck rates and routes, to become a presidentially appointed position. This move to consolidate and deregulate stemmed from the thinking that if the president held responsibility for the health of the economy, then he must also maintain control of the federal government’s
economic programs. Transportation was to comprise yet another feature in Johnson’s “Great Society” program.

Members of Congress approved creation of the DOT in October 1966, and President Johnson signed the law establishing it. The Department’s mission was, as Johnson stated in his remarks, “to improve the safety in every means of transportation, safety of our automobiles, our trains, our planes, and our ships[,] bring new technology to every mode of transportation by supporting and promoting research and development[; and] solve our most pressing transportation problems.”

Although successfully created, the DOT did not retain authority for each aspect of transportation policy that Johnson first envisioned. Califano and Johnson dropped plans to bring the Maritime Administration into the new department as the price for congressional approval. As well, citing safety considerations, Congress vested control

President Johnson and the first Secretary of Transportation, Alan Boyd, 1967.
of DOT’s operating agencies with administrators for air, rail, and road, thus imposing a limit on the President’s spending authority even after DOT’s budget was approved. As a final limit, Congress refused to allow Johnson to appoint the chair of the ICC.

Johnson alluded to these concessions in his signing statement remarks. “In a few respects,” Johnson observed, “this bill falls short of our original hopes. It does not include the Maritime Administration. As experience is gained in the department, I would hope that the Congress could reexamine its decision to leave this key transportation activity alone, outside its jurisdiction. But what is most important…,” Johnson added, “is that you, for the first time in modern history, have created and have brought for me to sign, a measure giving us a new Cabinet department. It was proposed, it will be established, and it will be operational in the same year.” Even at the peak of his persuasive powers, Johnson could not compel Congress to endorse aspects of his plan.

**Transportation Deregulation in the 1970s**

Efforts to deregulate truck, rail, and air travel had begun even before DOT’s creation. When Eisenhower sought to create a zone within which rail and truck executives could adjust prices without securing the approval of ICC regulators, he was met with the united opposition of truck operators bent on protecting themselves from railroad competition. A decade later, those same, well-organized truckers insisted on the elimination of deregulation language as the price for supporting the DOT’s creation. President Richard Nixon submitted a limited truck-rail deregulation bill to Congress, but ultimately abandoned support of it, fearing conflict with the Teamsters as the 1972 election approached. President Gerald Ford took a more outspoken stance to build deregulation support, identifying government regulators as the chief culprits behind high prices and rising unemployment. As well, Ford secured passage of legislation that forced limited pricing freedom on railroad executives, in return for federal loans and grants totaling $6.098 billion. And yet, like presidents before him, Ford was met with strong opposition from those who asserted that continuation of air and truck regulation was a prerequisite to maintaining the best transportation system in the world.

Efforts to deregulate truck, rail, and air travel had begun even before the DOT’s creation. He appointed deregulation-minded economists, such as Alfred Kahn, to the Civil Aeronautics Board (CAB), a government agency overseeing economic regulation of the airlines. Passage of the Airline Deregulation Act in 1978 removed government
control over fares and routes, and phased out the CAB. Those changes also allowed startup airlines to enter formerly protected routes and introduced market forces into the airline industry. Deteriorating economic conditions—stagflation, in particular—further enabled administration leaders to assemble a new coalition of shippers and consumers to expand the deregulation push into additional transportation modes, namely rail and truck.

Carter echoed Ford’s earlier critiques in his June 1979 comments on proposed legislation deregulating the trucking industry, stating: “Our current regulatory system contributes to three of our nation’s most pressing problems—infation, excessive government regulation, and the shortage of energy. Since regulation permits price-fixing and stifles price competition, consumers are unnecessarily paying billions of dollars a year in higher transportation prices. During these inflationary times, government policies that needlessly raise costs cannot be tolerated. Regulation also subjects one of our nation’s most important industries to a mindless scheme of unnecessary government interference and control.”

Carter characterized regulation as a form of government “interference,” whereas those supporting regulation viewed government rate and service rules as “protection” that was both needed and deserved. In July 1980, Carter went on to say during the signing of the Motor Carrier Act that the bill would “bring the trucking industry into the free enterprise system, where it belongs.” Only four months later, Carter signed the Staggers Rail Act that deregulated railroad rates.

Transportation deregulation produced winners and losers. Truckers who handled small shipments sustained large losses, or went bankrupt. In contrast, formerly struggling rail companies, such as Norfolk Southern and CSX, began to diversify and expand their services beyond rail to include air, water, and road transport. It was not until 1991, however, that members of Congress began to finance those truck, rail, sea, and air connections—now described by many as intermodal—but the shifts resulting from the deregulation pushed by the presidents in this era did change transportation patterns and enhance multimodalism. The reorganization enabled the transportation industry to expand and innovate, and American citizens reaped the benefits of increased efficiencies, reduced prices, and private investment in the nation’s transportation system.
George H.W. Bush and the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA)

President George H.W. Bush fostered significant changes to the nation’s surface transportation programs with the passage of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). ISTEA was a six-year, $151 billion program of federal aid to the states for highways and mass transit that would increase combined spending on transportation by the federal and state governments by one-third in 1992. Critics of the proposed legislation questioned whether states would be able to afford their increased share of the program, and many asserted that public transit was being short-changed in favor of highway spending. The legislation also was unique for its focus on innovation and a “redesign” of existing transportation policy ideas.

The proposed legislation was not without vocal opponents, but Samuel Skinner, Bush’s Transportation Secretary, served as the program’s architect and skillfully guided it through the often complex and delicate congressional deliberations. Several times during 1991, President Bush and his aides warned of a veto should the legislation contain tax increases or a failure to shift a portion of transportation costs to the states.
By early December, however, with the recession worse than expected and with many state governments suffering shortfalls in tax revenues, the immediate focus in the administration was getting funds flowing to the states and getting unemployed Americans back to work, and the administration judged correctly that the economy and innovative thinking took precedence over tax pledges.

The legislative battle was difficult, but Bush transformed remarks on the international marketplace and suburban growth into the more quotable assertion that approval of ISTEA fostered “our three top domestic priorities: jobs, jobs, jobs.” By skillfully wedding the need for transportation investment to the most persuasive political priority at the time—job creation—supporters were able to piece together the necessary support for the legislation. And whatever the President’s rhetoric, taken as a whole ISTEA produced a winner. Signed into law in December 1991, Bush and Skinner’s ISTEA maintained the long-time connection between federal transportation spending and promised economic growth.

**Transportation Policymaking Post-ISTEA**

In March 1997, President Bill Clinton released his proposed transportation budget to replace the impending expiration of ISTEA. It included an 11 percent increase in spending, for a total of $175 billion over the next six years. President Clinton, more interested in health care and education, kept the transportation increase low to focus on achieving a balanced budget. Nor did Clinton seek an increase in the gasoline tax to pay for additional federal spending. “The political courage to raise it is rarely available—certainly not now,” an editorial writer for the *St. Louis Post-Dispatch* observed the following week. To make his proposed budget meet expanding expectations, Clinton permitted state authorities to charge tolls on roads already completed. In effect, Clinton shifted part of the funding burden to motorists and truckers, following the path that President Bush and Secretary Skinner took in their early proposals.

Yet, even the 11 percent increase would prove insufficient to satisfy the many who argued for more highways, increased aid to mass transit, and greater funding for hiking trails and bike paths. Pro-highway groups such as contractors described spending on mass transit and the like as “a grab bag for special interests.” Leaders of the Transportation Construction Coalition recommended elimination of the federal gasoline tax and the near abolition of federal highway spending as state governments would take over those programs. Meanwhile, Sunbelt congressional leaders sought a formula to guarantee
that each state would receive back as much as its motorists paid in federal gasoline taxes.\textsuperscript{10} Despite the lament that “America’s crumbling,” the new Republican majorities in the House and Senate refused to increase transportation spending.\textsuperscript{11}

In May 1998, months after ISTEA’s expiration, Congress and Clinton reached an accord on transportation spending. To achieve this newfound harmony, members of Congress expanded the bill in several directions, including 1400 specific projects for their districts and a guaranteed return of 90.5 percent of gas tax dollars to each state. Under this plan, states such as Texas enjoyed a 60 percent increase in federal transportation spending while Connecticut settled for a 13 percent increase. The price tag for this expanded legislation skyrocketed to $200 billion, a sum Clinton had judged unacceptable.\textsuperscript{12} With the budget in balance, however, Clinton signed the bill, noting that it “achieves our transportation goals while maintaining fiscal discipline.”\textsuperscript{13}

President George W. Bush followed a path similar to Clinton’s. The total money involved was simply larger. Originally, President Bush threatened to veto any bill spending more than $256 billion over six years, but he ultimately approved $286.4 billion. In signing the bill, Bush chose not to dwell on the massive spending, the special projects, the years that congressional leaders invested in assembling the package, or on his earlier assertion that lawmakers were “spend[ing] money that doesn’t exist.” Bush instead returned to the time-honored idea that “our economy depends on us having the most efficient, reliable transportation system in the world.”\textsuperscript{14} In truth, President Bush extended the lengthy presidential tradition of choosing infrastructure investment.

### President Obama and Moving Ahead for Progress in the 21st Century (MAP-21)

In 2012, Congress and President Obama authorized the expenditure of $127 billion to fund Moving Ahead for Progress in the 21st Century (MAP-21), a two-year surface transportation bill. To achieve passage in 2012, Congress extended the 2005 legislation ten times following its expiration in 2009. It took three years to write the two-year bill. Performance management measures included in MAP-21 comprised another effort to stretch limited federal dollars and to eliminate the association of transportation spending with unpopular projects such as the so-called “Bridge to Nowhere.”

To assemble the bill, Congress voted for reduced funding for highway beautification and for the hiking and bike paths that had secured their budgetary place in 1991. During 2011, federal officials had spent some 14 percent of gas tax revenues for mass transit and non-highway purposes, such as hiking and bike trails. From the view of
organized road users, mass transit and bike trails made sense, if at all, only when overall highway spending increased. Now, some wondered if federal legislation had gone too far in funding local projects such as bike paths that were, by this reasoning, city and county responsibilities. In 2012, with a presidential election looming, the politics of a zero sum game was back in the driver’s seat.

One must recognize the considerable weight of American presidents in shaping transportation policy during the 20th century. The presidents highlighted in this essay perceived transportation legislation in terms of their responsibility to maintain and even hasten the pace of economic growth. Air, truck, and rail deregulation under Presidents Ford and Carter were not expressions of ideological commitment. Rather, deregulation legislation served as a series of experiments for the still-untested idea that a less-fettered transportation industry would yield lower freight costs, reduce inflation, and provide stronger economic growth. Moreover, as historian Jason Scott Smith has

*President Obama praises the first Miller Center transportation report in a Rose Garden ceremony, 2010.*
shown, presidents and members of Congress perceived public works projects such as the Interstate Highway System and, later, related intermodal connections, as catalysts not only for job creation in the short term but also as sensible long-term investments in the infrastructure that would undergird another generation of economic growth.

Similarly, President Obama must seize on opportunities for innovation in the organization and funding of the nation’s transportation programs for the same reasons that his predecessors crafted policy and devoted the time, attention, and political capital to push its enactment—namely, to bring about job creation, to enhance economic security, and to encourage continued development within the United States.

Endnotes
1. Franklin D. Roosevelt to the Secretary of the Interior and the Director of the Budget, April 1, 1939, Official File 129, Franklin D. Roosevelt Library, Hyde Park, NY.
3. ibid 548.
5. ibid
With the confirmation of Anthony Foxx as Transportation Secretary, and the current authorization bill (MAP-21) set to expire next summer, the Obama administration has an opportunity to reframe the agenda and inject new energy into transportation policy. For the administration to achieve significant progress, President Obama will have to engage directly in transportation policymaking in his second term. In his 2013 State of the Union address, the President took the rare step of highlighting a range of infrastructure needs—roads and bridges, ports, high-speed railways and Internet, power grids, and schools. Building on this momentum and achieving a lasting legacy in transportation policy will require bold and decisive action by the administration, particularly by the President himself. Below we have identified seven recommendations for how the President can make a decided impact on transportation policy during the remainder of his presidency.

1. Change the Narrative

The development of the Interstate Highway System may have captured the national imagination during President Eisenhower’s era, but the prospect of a fully optimized national transportation system does not garner the same attention today. Transportation does not top the list of critical national issues, and lobbying efforts by the transportation community have not been able to break the issue into the national consciousness. Transportation spending has also become mired in larger disputes about federal debt and fiscal constraint, making it an even less palatable issue to tackle. Barring a groundswell of popular support for transportation investment and policy reform, Congress and the President have very little incentive to address the issues in a comprehensive way.

The Miller Center’s 2011 Goode Conference addressed this very challenge, asking: How do we craft a compelling message that captures the national interest, spurring political leaders to set aside their differences, rise above the current quagmire of
inaction, and take steps to adopt and pursue transportation policy that will drive economic growth, enhance U.S. competitiveness, and create jobs in the 21st century? We concluded that a new communications strategy must be adopted that includes a positive, forward-looking tone; a well-defined but flexible campaign plan keyed to political rhythms; a focus on building broader engagement through social and traditional media; and a concerted effort to link local transportation investment opportunities and benefits to national-level policy decisions. Additional information on the Miller Center’s 2011 conference recommendations for a refined communications strategy can be found here.

If President Obama is to achieve meaningful transportation policy reform while in office, he must change the narrative, making transportation a relevant and persuasive issue that compels the American public to demand calls for action that will, in turn, prompt policymakers to act.

2. Get Creative on Funding

America’s infrastructure is in disrepair, and it requires massive investment to get it to a standard that will keep the nation competitive in an increasingly global economy. Congress and the President need to act quickly to satisfy those immediate needs, and the federal gas tax collection system cannot keep pace with projected revenue needs. Americans have enjoyed an ever-increasing freedom in personal mobility, but the current funding mechanisms simply cannot respond to ever-changing technological advances.

Flat and declining budgets paint a bleak future for American transportation; austerity and the desire to reduce federal spending only serve to further exacerbate the issue. Lack of funding, however, is certainly not for a lack of ideas for new potential financing models. The National Surface Transportation Infrastructure Financing Commission (NSTIFC), for example, evaluated 30 possible federal revenue options and an additional seven state and local revenue options, ranking the options as “strong,” “moderate,” “weak,” or “not applicable/seriously flawed.”

The consensus is that there is no palatable proposal. A single, clear, sufficient, and politically unchallenged funding mechanism does not exist, and all bold proposals have accompanying concerns. Instead, policymakers must “think outside the box” and devise creative new funding options. Expansion of specialized loan programs such as Private Activity Bonds, TIFIA, and state infrastructure banks has been proposed.
Establishment of funding formulae that would focus federal highway spending on key projects judged most useful for regional and national economic development and a new emphasis on localism that hearkens to the pre-Interstate era (when city officials kick-started major limited access highways through bond issues) have been met with some enthusiasm. Together, local bond issues and allocation formulae might provide a solution. The 2009 report advocated the adoption of new accounting methods—namely, a capital budget—that score the anticipated return on investment for spending proposals, not just the outlay of money. Doing so enables the government to prioritize projects with the largest future returns.

Whatever the solution or solutions, innovative thinking is needed to develop the next generation of revenue beyond the gas tax. The onus is on the President and Congress to carefully examine all potential revenue sources, at least as a starting point for weighing our long-term transportation challenges and options.

3. Leverage New Technology

Over the next decade, a series of groundbreaking technological advances are expected to dramatically reshape society. Innovations like autonomous vehicles, cloud computing, new energy extraction methods, and the Internet of Things will have far-reaching ramifications, particularly in transportation policy. If leveraged properly, policymakers have the opportunity to utilize these new technologies to create a smarter and better-connected infrastructure.

A vehicle miles traveled (VMT) system, for instance, is more viable with these technological advances, and would enable transportation policymakers to harness technology to their advantage. Monitoring usage of every auto and truck on every Interstate highway, city street, and alley, as well as on each farm-market road and rural lane, turns every road and street into a toll road. With a VMT system, Americans would finance transportation projects based on the miles they travel, instead of paying for these projects at the pump. Similarly, fees on heavier vehicles that cause more wear and tear on roads would be indexed to capture those differences.

Pilot programs around user fees have enjoyed some success. The Oregon state legislature passed a bill in July establishing the first usage fee after two trial programs. Supporters contend that implementing a VMT system also restores the original intent of the Highway Trust Fund: that users fund the transportation system in proportion to their use of it. Incorporating emerging technologies into the transportation fee equation
offers other benefits as well. Those technologies capture the externalities of different transportation choices that a fee based solely on fossil-fuel consumption cannot. Additional fees could be charged during peak congestion hours to discourage inefficient use of the system, while also advancing important public policy objectives like reducing fuel consumption and pollutant emissions. Emerging “smart infrastructure” technologies must also be included in these advance conversations since they too offer means to optimize transportation functionality.

The necessary technologies either exist now or are in the concept development stage, but implementation of these devices does raise significant concerns about privacy issues, particularly in the wake of the NSA surveillance program leak. But, the reality is that concerns about a government system collecting information on citizens’ physical movements will likely come up with any number of technology-based policy proposals. Those concerns must be explicitly addressed from the outset to avoid wasting time on an approach that ultimately fails the test of public acceptance.

If the President intends to leverage new technology as a component of his leadership plan for transportation, he and other supporters should begin to build support for these changes by explaining to the public how they are implemented and why they are necessary. The President should “sell the change” by explaining the flexibility and adaptability that technological innovations offer and how they will make transportation systems more responsive to present needs and demands.

4. Seize Bipartisan Opportunity

Although the President and Congress often find it difficult to cooperate on many aspects of transportation policy, there are some ideas that enjoy support from both branches and both parties. One, the reclassification of air traffic services outside the FAA and, two, the development of a seamless national freight program linking sea and airports with rail yards and truck depots are two possibilities. The President’s ability to shape a transportation program could center on making progress on such ideas that enjoy greater popular support and, ideally, build from there.

Both ideas offer clear advantages. In April 2013, the furlough of thousands of air-traffic controllers, who are under the jurisdiction of the FAA, led to widespread flight delays across the country. The debacle underscored the strange fact that the U.S. is the last developed economy to have its aviation safety agency doubling as a provider of air traffic services. Policymakers from both parties would agree that the efficiency of an
economic driver as important as air transportation should not be dependent upon whether Congress and the White House can agree on an annual budget. In fact, transportation secretaries from both parties—most notably, James Burnley and Rodney Slater—have attempted similar reforms in the past. Transitioning air traffic responsibilities to a privatized or publicly corporatized entity—or even simply shifting it outside the FAA—would generate bipartisan support and be applauded by the American people.

There have also been widespread calls for the creation of a national freight plan that would serve a number of functions. It would develop a more coherent plan to facilitate the movement of goods among different networks; provide a means for assessing the current system; and conduct trend analysis in freight and transportation to better address and anticipate those needs. Supporters argue that a well-developed plan and optimally-functioning systems boost the economy by reducing costs and improving efficiency. They also warn that corporate leaders will decline to build new plants in America when better options exist across the border, especially since Canada has already developed a national freight program of its own. Infrastructure investment helps to put millions back to work during difficult economic times and fuels growth in the national economy. In a country so focused on job creation and economic recovery, the need for improvements in America’s freight system to optimize connectivity in order to keep domestic jobs should be well-received.

In addition to strong backing on Capitol Hill, these two issues also garner near-universal support from transportation insiders who can employ the various means at their disposal to ensure that these policies pass the public’s litmus test for approval. This rare consensus among policymakers and industry leaders should not be missed. By working with Congress to quickly enact these more popular, attainable proposals, the President can establish trust and build momentum for broader transportation policy reform.

5. Disentangle the System

As transportation systems and the policies governing them increase in complexity, the number of invested parties and players also expands. Projects once solely the domain of the public sector now spark the interest of the private sector; the different modes of transportation scramble for scarce resources; and multi-layered (and often ambiguous) authorities in local, state, and federal government create ambiguities. America’s
transportation apparatus would benefit immensely from clarifying and streamlining all of this interplay to minimize duplicative efforts and fast-track worthwhile projects. For example, private-public partnerships (PPPs) may provide a much-needed injection of funding capacity for major transportation projects that state, local, or federal governments cannot underwrite. If public-sector investment for infrastructure provisions is inadequate—as most transportation experts assert—then perhaps it is time to offer further in-roads for private-sector involvement.

Similarly, no sum to date has been deemed sufficient to adequately maintain all modes of transportation. Consequently, the various modes must compete fiercely for a share of the limited funding available. A formula to encompass highway users, mass transit, and bike riders does not exist, and there is no directive about which level of government should fund these types of projects.

The individual authorities for local, state, and federal governments also need clearer delineation. A variety of proposals for redistributing these powers and responsibilities, some going so far as to remove the federal government’s role in transportation entirely and devolve controls and financial responsibility to state and local governments, have been examined. The establishment of either state infrastructure banks (as proposed by former House Transportation and Infrastructure Committee Chair John Mica) or a national infrastructure bank (as proposed by President Obama) has also been suggested as the appropriate locus of authority for transportation finance initiatives. Clarifying and disentangling these interactions could be undertaken by the President with significant rewards, especially in a political climate that looks warily upon government intervention as a model of inefficiency and waste. Further, an organizational review likely would result in the transfers of authority to those agencies with the greatest demonstrated competencies in a given area.

6. Engage the Private Sector

Resolving the debate over private equity contributions is essential to meet the nation’s pressing transportation challenges. In general, many believe private-sector participation should be encouraged. However, one such means for increasing private-sector investment in transportation—namely, PPPs—are not on track to play a steadily larger role in transportation funding in the years to come because program restrictions, severely limited funding, and an abiding skepticism toward direct private-sector
involvement on the part of many politicians impose constraints on what can be accomplished in the near term.

It is important to recognize that private investment in transportation infrastructure will not replace the need for public investment. PPPs require that capital investments are repaid with an adequate return so they are not likely to be well-suited as a means of financing certain kinds of projects, such as deferred maintenance, most public transit extensions that require operating subsidies, and new road capacity in sparsely-populated areas. Meeting these kinds of needs will almost certainly continue to require public investment.

Nonetheless, there is a strong case for PPPs to become a core element of America’s transportation investment strategy. Projects underway have provided valuable lessons regarding how to provide effective oversight of PPPs as well as the criteria to use when determining if a PPP approach would be appropriate. Proposals for PPPs, for example, must demonstrate that financing costs will be priced as competitively with the private entity as they would be with the public one, while also taking into account the costs to the government of overseeing the contract.

When there is a PPP project proposal demonstrating that financing costs through a private entity would be less than they otherwise would be for the public—and when these projects provide adequate mechanisms to ensure that the public can continue to exercise an appropriate degree of control over public assets—then it should be given serious consideration. The President should seize on the potential for savings that investments in these approved projects may offer, tout the successes of PPP pilot programs to counter concerns about private sector investment, and secure an easier path for those entities to play a larger role in infrastructure management and funding.

7. Lead the Way, Mr. President

During the imagined Golden Age of transportation policy, or at least as memory of it goes, presidents needed only to make telephone calls and members of Congress followed up with legislative action since transportation was a policy area largely exempt from the hard pushing and shoving of everyday politics. There is some truth to the notion that it is only recently that party and ideology have added another, deeply contentious layer to transportation politics. But, the reality is that no president has enacted transportation legislation without the prolonged political machinations and compromise demanded of policymaking in any area.
Granted, increasing polarization of transportation policy, hyperpartisanship in the wake of the October 2013 government shutdown, and the upcoming 2014 midterm election add significant hurdles to transportation policymaking. But the President must bypass these obstacles by demonstrating that transportation is a policy priority warranting the attention of the chief executive. A show of sustained presidential involvement in this policy area could elevate the issue in the national consciousness, engage Congress, and lead to important policy advances.

Senate and House transportation committee leaders Senator Barbara Boxer (D-CA) and Representative Bill Schuster (R-PA) have been in negotiations for months on the next transportation authorization. Their sustained dialogue may have the potential to break the legislative logjam by persuading their respective conference members to vote beyond party lines. If that is even an outside possibility, the President must take a central role in encouraging these conversations. If they falter, it may be advantageous to expend sufficient political capital to reinvigorate them. He can assemble a small group of lawmakers who understands transportation, underscoring the idea that the President cares deeply about the issue. He can also initiate other, bipartisan negotiations on transportation-related issues and work to elevate their work onto a more prominent spot on the political agenda.

In short, the President must roll up his sleeves and put his weight and authority behind calls for transportation policy reform if he is serious about achieving them. In doing so, he will signal to Congress and to the American people that transportation infrastructure is an important national priority.
The conference’s opening panel brought together distinguished leaders from academia, government, and the private sector to discuss how policy is developed, funded, and implemented today, and what the president’s role is in this process. Mortimer Downey, III, a former deputy secretary of transportation, and Emil Frankel, visiting scholar at the Bipartisan Policy Center, presented. Mark Rose, professor of history at Florida Atlantic University, moderated.

Even as a self-identified Republican, Mr. Frankel acknowledged that President Obama has spoken on the topic of transportation more than any president since Eisenhower. However, the President’s words have not yet been backed by funding proposals. This might reflect changing norms, as both he and George W. Bush have led in an era marked by high annual budget deficits and a ballooning national debt. Frankel added that the American people are not overly concerned about the crumbling infrastructure. This sentiment puts tremendous political, economic, and social restrictions on the White House.

Frankel cited the insolvency of the Highway Trust Fund as an example of decreasing revenues and proposed streamlining the way we spend. Cost-benefit analyses and extended studies must be utilized to devise smarter strategies, he argued. The President has been very overt in emphasizing the economic growth potential of transportation investment. However, he has done little to support this position with appropriations, which Frankel said has to change.

Mr. Downey began on a similar note by discussing the much-needed paradigm shift in transportation policy. Yet, as history has shown, such
a shift cannot be implemented overnight. Downey asserted that while Eisenhower rightfully receives a great deal of credit for the nation’s Interstate Highway System, it was Franklin Roosevelt who initially conceived the idea. In fact, Eisenhower was not overly involved in the formation of the system and was not entirely happy with the result. Downey’s point was that the program took 20 years to come to fruition. Thus, we should not be surprised if our next national initiative takes a great deal of time.

Downey said that transportation will “never be on the ‘A’ list of issues.” Instead, we must “aspire to the ‘B+.’” Incremental change is the likely way into the future. There is history to support the wisdom of taking that path. Downey listed a number of examples: President Johnson’s creation of the Department of Transportation; President Nixon’s support of the creation of Amtrak and the EPA; President Ford’s personal involvement in rail restructuring; President Carter’s active role in deregulation and in passing the first surface transportation act; President Reagan’s increase of the gas tax; President George H. W. Bush’s role in ISTEA; and President Clinton’s involvement in passing TEA-21. In each case, Downey argued, presidents helped to produce incremental change.

Mr. Rose led the moderated discussion by asking: if fiscal constraints did not exist, what would the next major highway bill look like? Downey responded that the conversation should be broader than just highways, or even surface transportation. Frankel said that performance goals, metrics, and accountability are good policy no matter the fiscal situation. Instituting that framework is critical. “We can’t afford bridges to nowhere even in good times,” he said. The focus has to be on broad-based programs and not one-off projects. He added that we should also work to create a more meaningful partnership with state and local governments.

Rose questioned how the President could provide a nationally-centric grand bargain without giving way to local and state governments. Frankel started by observing that earmarks might be gone, but that we should not rule out some sort of localized deal making. Downey agreed. In transportation, even projects that are entirely encompassed within one state still have broader effects on the nation. Further, earmarking in theory
is not necessarily bad. Problems arose because earmarked projects were not sufficiently vetted. Local projects are fine, as long as enhanced federal analysis precedes them.

Questions were then taken from the assembled audience of industry experts. One individual asked how transportation revenues should be raised. Frankel replied that a combination of energy taxation and general funding was the answer. Downey agreed that general funding is a worthy solution. User-based systems may need some auxiliary support.

A second attendee asked what specific projects policymakers should pursue. Big projects inspire big thinking in the public. In that case, what are some tangible long-term goals? Downey spoke on the importance of national and regional connectivity, as well as metropolitan accessibility. However, he added that it might be tough to get a senator from Wyoming, for instance, to embrace financing of metropolitan projects that had little effect on his or her state.
PROSPECTS FOR PRESIDENTIAL LEADERSHIP

The conference’s second panel examined how President Obama can lead in the transportation policy arena given practical realities such as budget deficits, congressional opposition, and the 2014 midterm elections. Marcia Hale, president of Building America’s Future Education Fund, Robert Puentes, a senior fellow at the Brookings Institution, and Kathy Ruffalo, a key drafter and negotiator of SAFETEA–LU, sat on the panel. Ashley Halsey, transportation writer for the Washington Post, served as moderator.

Mr. Halsey opened by noting that the American public is coming to the realization that transportation and infrastructure are key issues. However, it often takes events such as the recent de-funding of the FAA to drive home the immediacy of the situation.

Ms. Hale delivered the first set of panelist remarks, reflecting on her time in the Clinton White House, specifically her observations on the passage of the gas tax increase during this time. She discussed how the tax barely passed, and how it had to be included within a larger budget bill to garner congressional support. Today, she argued, things have changed drastically, as President Obama faces opposition at every turn from some members of Congress regardless of the issue. She contended a successful transportation package must originate from Senator Barbara Boxer (D-CA) or Representative Bill Shuster (R-PA), the chairs of the Senate and House transportation committees. Also, additional funding will have to be part of a grand bargain as opposed to a “stand alone” piece of legislation.

Mr. Puentes asserted that the day’s conversation was well timed. Divisiveness pervades Washington, making passage of a large transportation
The question he thus posed was: How can the federal government facilitate smaller projects in the absence of a major piece of legislation? Puentes believed that incremental efforts are the best strategy. Washington will ultimately lead the way on a grand bargain only when the innovation we are seeing now in transportation policy crystallizes and we fully understand new developments. Until then, the Department of Transportation should take advantage of the appropriations process. It is in many ways immune to legislative scrutiny. Therefore, it is the best potential source of money for states and metropolitan areas.

Ruffalo divided her comments into three “m’s”: message, media, and member organization. On message, she said that the Miller Center is on its way with prior Goode Conference reports, but there is more heavy lifting to be done on the public relations side. With media, Ruffalo said that today’s press is often a hindrance to progress.
With the incentive to publish as quickly as possible, they often leak sensitive information and jeopardize delicate bipartisan negotiation. On the last point, she believed that the transportation community must work to regain bipartisan footing.

Halsey then initiated the question and answer portion of the session by asking what the panelists thought of the relationship between Representative Shuster and Senator Boxer. In particular, how will their interactions affect a prospective transportation bill? Shared interests and strong records on the part of both legislators made Hale feel good about the prospect of congressional action. Puentes agreed that both individuals seem to grasp the importance of transportation as a nonpartisan issue. Ruffalo remarked that it was a positive step to see two people from Capitol Hill openly engaging the political community.

Halsey questioned whether states would act on revenue issues in the absence of federal guidance. Puentes said that there are already signs of that, though no one seems to want to be the first to jump. He expected that a cascading series of solutions would come from governors and state legislators in time. In addition, cities are doing a much better job of integrating infrastructure policies with broader economic platforms. In contrast, Washington is failing in that regard. Hale added that mayors and governors are overlooked for their capacity to innovate. She predicted that many of the ideas that end up being implemented at the national level will come from these sources.

The conversation then turned to new ideas for funding. Ruffalo stressed that funding is largely a question of political will. Hale remarked on the need to engage the public to a greater extent. She pointed out that the public is an overlooked source of new ideas. Unless people understand the place of infrastructure within an economic recovery, progress is unlikely. Therefore, it is critical that public relations efforts be more robust.

A member of the audience questioned whether the retirement of Senator Max Baucus (D-MT) would make a substantive impact. Hale said that she thinks Baucus is determined to get something done before he leaves, and Ruffalo was highly optimistic about the Senator’s work in transportation policy. Hale commented that any efforts from Congress must coincide with a president willing to champion reform.
TRANSPORTATION SECRETARIES’ ORAL HISTORY

Part I

PROFILES IN LEADERSHIP:
Presidents & Transportation Policy

In the session, six former U.S. Secretaries of Transportation covering five presidential administrations convened for a special group oral history to reflect upon transportation policy and the presidents under whom they served. Part I of the session focused on the priorities of past presidents in transportation policy.

The panel featured Secretaries James Burnley, IV, Samuel Skinner, Andrew Card, Rodney Slater, Norman Mineta, and Mary Peters. The session was moderated by Russell Riley, Chair of the Presidential Oral History Program at the Miller Center, Mark Rose, Professor of History at Florida Atlantic University, and Jeffrey Shane, former under secretary for policy at the U.S. Department of Transportation.

Riley opened the conversation by asking the secretaries what counsel they would offer Charlotte Mayor Anthony Foxx—who was nominated as the next U.S. Secretary of Transportation on the day of the conference—were he to become Secretary.

Burnley responded that it is important for Foxx to establish his leadership as quickly as possible. It is particularly significant given Foxx’s “outsider” status within the transportation community, which makes his task especially daunting. Burnley thought Foxx’s experience as a mayor will give him the requisite leadership abilities, but he will still face a steep learning curve. He must grasp things quickly before the current surface transportation bill expires in 2014.

Card advised that Foxx bring “peripheral vision” to a department where many are too narrowly focused. Outside influence must be allowed into

Secretaries

James Burnley, IV
U.S. Secretary of Transportation, 1987–1989

Andrew Card
U.S. Secretary of Transportation, 1992–1993

Norman Mineta
U.S. Secretary of Transportation, 2001–2006

Mary Peters
U.S. Secretary of Transportation, 2006–2009

Samuel Skinner
U.S. Secretary of Transportation, 1989–1991

Rodney Slater
U.S. Secretary of Transportation, 1997–2001

Interview team

Russell Riley
Chair, Presidential Oral History Program, Miller Center

Mark Rose
Professor, Florida Atlantic University

Jeff Shane
Visiting Fellow, Miller Center; General Counsel, IATA

Opposite: Miller Center Presidential Oral History Chair Russell Riley
the process as well. Card added that respect is important in working with career employees and Foxx will have to earn their trust.

Mineta noted that Foxx would be moving from local government to federal government at a critical time, so he must rely on the building full of professionals at his disposal. He counseled Foxx to seek the advice of his employees on operations while shouldering the political concerns on his own.

Peters said that she empathized with Foxx as she, too, was inexperienced in national transportation policymaking at the time of her appointment. She advised that he get the ear of the President as swiftly as possible, then forge relationships with members of relevant congressional committees. It is also important to speak with senior undersecretaries to get a better grasp of ongoing operations and the legislative agenda, Peters advised.
Skinner noted that he had similarly never worked in Washington when he became Secretary. Skinner stressed the importance of quickly finding individuals that could provide sound counsel while also bringing in a number of people from his previous office to ensure loyalty amongst his employees. He then stressed the importance of coming to understand the Department itself and identifying a few key objectives to pursue since that entity operates as its best in that scenario.

Slater concurred with the points made by his colleagues. He also highlighted Foxx’s earlier successes. He noted the nominee’s history of bipartisan success and mentioned that he did an outstanding job organizing the 2012 Democratic National Convention in Charlotte, North Carolina, where Foxx served as mayor. Foxx has also made progress in Charlotte on high-speed rail, which has been a transportation policy priority during the Obama administration.

_Rodney Slater_  
*Opposite: Samuel Skinner*  

_Skinner stressed the importance of coming to understand the Department itself and identifying a few key objectives to pursue since that entity operates as its best in that scenario._
Riley asked about the conversations the Secretaries had with their president prior to taking over at DOT. Slater said that President Clinton discussed “pivot points” in his administration, including putting the American people first, remembering the emphasis on economic growth, and always looking forward to the future. To Slater, the biggest task was to tighten aviation security to avoid incidents like the 1988 Lockerbie bombing.

Peters recalled four main issues she discussed with President George W. Bush upon taking office: safety, congestion issues, credibility for the office, and collaboration across modes of transportation. Mineta, who preceded Peters under President Bush, noted Bush’s comfort in delegating responsibility, which he attributed to Bush’s previous experiences as a CEO. Mineta identified budget, personnel, and policy as his areas of focus; Bush responded that Mineta would have to work with OMB on budget matters, but issues of personnel and policy were largely the secretary’s prerogative. The only major example of inflexibility, according to Mineta, was over the gasoline tax. Mineta said his tenure was also defined by the total overhaul in safety protocols after September 11th and the passage of SAFETEA-LU.

Similarly, the implementation of ISTEA was a major part of Card’s tenure. It was critical that the bill go into effect almost immediately for the job creation it was supposed to deliver. Card also dealt with a railroad strike in the midst of a shaky economy and the federal emergency needs after Hurricane Andrew. Finally, he underscored that Congress was involved in each piece of his agenda, which was unusual given that his tenure took place during an election year.

Burnley was particularly proud of progress made on the subject of seat belt enforcement. The division of FAA was a major piece of his policy agenda as well as the extension of the rule mandating random drug screening from within safety-related positions in his agency to all individuals operating in a similar position across the private sector as part of Reagan’s “war on drugs”.

Next, Riley asked the panel whether they had ever found themselves at odds with the White House on matters of policy. Card said that this happens often and that he would gauge the degree of pushback possible based on
who from the White House had reached out. It is important to be both deferential and obdurate, depending on the situation. If the President himself called, Card did what he was told. If a low-level staffer reached out, Card believed that he had more leeway to state his case.

Skinner said it was important to understand the limits of the office. Secretaries have a lot of authority, but they must fully understand the capabilities of their post so that they do not let management of the Department get away from them. Developing a sense of collegiality with relevant stakeholders makes negotiations run more smoothly, he noted.

Peters highlighted a specific instance of being at odds with Congress after using $1.2 billion at her disposal for discretionary grants at the same time that earmarks were eliminated. She said that move generated great pushback from members of Congress who had expected certain projects for their districts.
LESSONS LEARNED:
What Can History Teach the White House?

Part II of the Secretaries’ Oral History conversation focused on deficiencies with the present funding model and possible policy solutions.

Mineta pondered the future of multi-year reauthorizations. Although they are necessary from a planning perspective, Mineta believed that Congress might not have the “stomach” to go beyond annual bills. He added that the current revenue stream is not sufficient to keep all programs solvent. The “spreading of the load” needs to be broader. Mineta concluded that the future would probably involve a “bottom-up” process with a larger role for local government. Peters said that welfare provides a good example of innovation that “bubbles up.” A similar occurrence in the transportation policy area would be viewed as a positive development, according to Peters and Mineta.

Riley asked if there was a consensus among the group that resources are insufficient. Skinner said he was particularly troubled by the sequestration fight. Money was only allocated to the FAA once it affected consumers, and when only the “squeaky wheels” get attention, a skewed allocation of funding likely follows. He noted that just because an issue receives media attention, that does not mean it is the most logical investment.

Burnley responded that the user-funded approach to transportation that has existed for nearly fifty years has collapsed, and that collapse is purely on the funding side, not the spending side. The new environment in Washington is characterized by budget deficits and increasing polarization. Thus, insular sectors such as transportation that do not always “squeak loud enough” often go overlooked, creating a situation whereby money has to be “cobbed
together” from numerous sources. Burnley pointed to a vehicle miles travelled (VMT) revenue system as the way of the future. Unfortunately, despite agreement among experts, there is a lot of mistrust and skepticism among the general public. He did note one silver lining: No issue supersedes transportation in its impact on the lives of everyday people, so policymakers must address it eventually.

Mineta pointed to a specific instance—the 2007 collapse of the I-35W bridge in Minnesota—as an example of the inability to garner support for tax increases supporting infrastructure improvements, even when members of Congress and the public alike are clamoring for change. Following that bridge collapse, a five-cent tax to improve bridges was proposed but never passed.

Card agreed that the U.S. is not keeping up with other developed nations in transportation investment. He added that every state has a capital budget, but unfortunately, the federal government does not. This makes bookkeeping difficult because federal and state books are kept separately. While states are able to amortize figures, the federal government does not, which inflates the perceived expense of programs. He suggested that Congress change the financing process and give states more responsibility outside of operations.

The conversation then returned to the notion of a larger role for local government. Slater said that he saw a unique opportunity in Foxx’s nomination. Having someone from local government, the “laboratory for democracy,” could light the way for a new era of innovation.

Skinner averred that in an era of constrained resources, perhaps for now the focus should be on streamlining existing operations. Time spent conceiving a big project is largely wasted at present. Peters went in a different direction, saying that if we want to get away from the cycle of year-to-year bargains, the thinking has to be expanded. Transportation must be part of a grand bargain. Something like tax reform, the debt ceiling, or sequestration could serve as a foundation for structural change.

Riley asked the secretaries if the bully pulpit was a source from which the President could push for something big.
independent of a grand bargain in Congress. Peters responded that it certainly provides a great opportunity given how much voice President Obama has given to the issue. She would “have done cartwheels down Pennsylvania Avenue” if President George W. Bush had mentioned transportation in his State of the Union Address as Obama did. Burnley added that despite the importance of transportation, it is never going to be at the core of a presidential election platform. Shane concurred, and said that the likely explanation is that telling people to “pay their own way” is not the best way to get elected.

Card advised approaching reform in terms of desired outcomes. He cited congestion mitigation as a possibility. Traffic is irritating to consumers and costly to producers. In today’s world, advances in technology have made things instantly available. Card thinks this will lead the present generation to impatience over idle time spent travelling. Consequently, a shift in focus to congestion could gain traction.

An attendee asked how a public relations effort could best be undertaken to help sell the issue of transportation improvement to both consumers and the business community. Card responded that logistics and efficiency have already become buzzwords in the private sector. Fed Ex is aware that it is not about planes or vans but getting something from one place to another. The next step forward would be an improved system of risk assessment. Money is cheap, and government bonds are not as attractive as they once were. Therefore, risk transparency is highly important.

The major underlying consensus centered on the idea that the status quo at the federal level is not working. There is a lack of political will, and short sightedness is pervasive. As solutions, the idea of expanded state involvement or a targeted public relations effort could lead to positive reform.

There is a lack of political will, and short sightedness is pervasive. As solutions, the idea of expanded state involvement or a targeted public relations effort could lead to positive reform.
SERVING SEVEN PRESIDENTS AND THEIR TRANSPORTATION VISIONS
A Conversation with Congressman James Oberstar

Miller Center Director and CEO Gerald L. Baliles sat down with Congressman James Oberstar (D-MN), former chair and ranking member of the House Transportation and Infrastructure Committee, to reflect on Oberstar’s interactions with seven presidents on transportation policy in the final conference session.

Baliles asked Oberstar about the formation of the Department of Transportation and Oberstar’s key role in its development. Oberstar reminisced about President Harry Truman’s semi-monthly trips to Capitol Hill for drinks with congressional leaders of both parties. Similarly, he described President Lyndon Johnson as ever-present, keeping the lines of communication open between the White House and the legislature. Oberstar remembered when Johnson called and said that the United States was the only industrialized nation in the world without a Department of Transportation; roughly six months later, the Department was created.

Oberstar was then asked about the specific visions for transportation policy held by the seven presidents with whom he worked. President Johnson did an excellent job of formulating and articulating transportation policy, although he did create an unfortunate legacy by combining the Highway Trust Fund with all other trust funds, creating the illusion of a surplus that did not exist. Oberstar said President Ronald Reagan was not active in transportation policy beyond the firing of the air traffic controllers, whereas President Bill Clinton had a better understanding of the challenges the country faced and played an instrumental role in increasing the gas tax and negotiating TEA-21 and SAFETEA-LU. Oberstar said that policymakers since Clinton have “just sort of run out.”
Baliles asked for an assessment of relative levels of involvement across recent administrations. Oberstar replied that presidents began to assume transportation policy could go on running itself without new reforms at a certain point, a view he characterized as patently false. He described the creation of the Highway Trust Fund, where policymakers got together and realized that three cents on the dollar was the best solution for financing, and it passed overwhelmingly. Two years later, an increase of an additional penny passed on a voice vote. Oberstar contended that such an adjustment in revenue in response to burgeoning needs would never happen in today’s political climate.

The conversation then moved further back in history to discuss President Abraham Lincoln’s lobbying for the Transcontinental Railroad and Theodore Roosevelt’s push for the Panama Canal. Baliles noted that both presidents were willing to go to great lengths to achieve progress in strengthening transportation infrastructure, even expending political capital and using the bully pulpit to their advantage if necessary. In response to a question about why this was no longer the case, Oberstar noted how Eisenhower always asked himself: “Is this good for America?” In contrast, the thinking today is: “my district comes first.” In Oberstar’s view, the inability to undertake large infrastructure projects is one of the great losses resulting from rising polarization.

Oberstar stressed that presidents ultimately have to “put some skin in the game” to make progress, no matter what role private interests may play.

When Baliles asked whether it was possible for a President to intervene to get things back on track, Oberstar said that he thought it possible, but has not seen it attempted. He added that private sector involvement might help since overtime costs, late fees, and repairs caused by faulty roads all make an impact on economic growth and are felt by this sector. However, Oberstar stressed that presidents ultimately have to “put some skin in the game” to make progress, no matter what role private interests may play.
Conversation then turned to whether it was the job of the President or the Secretary of Transportation to act as the “evangelist” for transportation policy. Oberstar replied that members of the executive branch cannot act effectively without presidential direction. Consequently, it is the White House that is the source of a true national pulpit, and it must be utilized to achieve comprehensive reform. Big ideas, Oberstar stated, cannot take hold throughout the country without the president first setting the tone.

He said that people must come to understand that money spent on transportation goes directly back to them and is not simply a tax from which they receive little in return.

The conversation moved to how policymakers can get the public to understand the importance of transportation and the value in making investments. Oberstar mentioned the difficulty of keeping a topic that tends to move slowly current. He said that people must come to understand that money spent on transportation
goes directly back to them and is not simply a tax from which they receive little in return. An audience member asked if there was a proven international model that the U.S. could follow in seeking out a reform strategy. Oberstar said that international examples were not always adequate because the volume of travel seen in many of the corridors of the United States exceed those seen in Europe or Canada. Thus, he encouraged America to devise its own, unique solution.
9:30 AM  **WELCOME AND INTRODUCTORY REMARKS**  
*Miller Center Washington Office*  

**Jeff Chidester,** Director of Policy Programs and Corporate Secretary

9:45–10:45 AM  **PANEL ONE**  
*“Where Can the President Act?”*  
*Miller Center Washington Office*  

**Chair**  

**Mark Rose,** Professor of History, Florida Atlantic University

**Panelists**  

**Mortimer Downey,** Senior Advisor, Parsons Brinckerhoff; Secretary, Eno Center for Transportation; former Deputy Secretary of Transportation  

**Emil Frankel,** former Director of Transportation and current Senior Fellow, Bipartisan Policy Center

11:00–12:00 PM  **PANEL TWO**  
*“Prospects for Presidential Leadership”*  
*Miller Center Washington Office*  

**Chair**  

**Ashley Halsey,** Senior Transportation Reporter, *The Washington Post*

**Panelists**  

**Marcia Hale,** President, Building America’s Future Educational Fund; former Assistant to the President and Director of Intergovernmental Affairs at the White House  

**Robert Puentes,** Senior Fellow, Metropolitan Policy Program, Brookings Institution  

**Kathy Ruffalo,** Principal, Ruffalo & Associates LLC; key drafter and negotiator, SAFETEA-LU
1:30–2:30 PM  TRANSPORTATION SECRETARIES’ ORAL HISTORY, PART I
“Profiles in Leadership: Presidents and Transportation Policy”
National Press Club

Secretaries

James H. Burnley, IV, U.S. Secretary of Transportation, 1987–1989
Andrew Card, U.S. Secretary of Transportation, 1992–1993
Rodney Slater, U.S. Secretary of Transportation, 1997–2001
Norman Mineta, U.S. Secretary of Transportation, 2001–2006
Mary Peters, U.S. Secretary of Transportation, 2006–2009

Interview Team

Russell Riley, Associate Professor and Chair, Presidential Oral History Program, Miller Center
Mark Rose, Professor of History, Florida Atlantic University
Jeffrey N. Shane, Visiting Fellow, Miller Center; General Counsel, International Air Transport Association; former Under Secretary for Policy, USDOT

2:45–4:00 PM  TRANSPORTATION SECRETARIES’ ORAL HISTORY, PART II
“Lessons Learned: What Can History Teach the White House?”
National Press Club

4:30–5:30 PM  KEYNOTE CONVERSATION
“Serving Seven Presidents and Their Transportation Visions: A Conversation with Congressman James Oberstar”
National Press Club

Guest

James Oberstar, United States Congressman (D-MN), 1975–2011; former Chair and Ranking Member, House Transportation and Infrastructure Committee

Host

Gerald L. Baliles, Director and CEO, Miller Center; former Governor of Virginia, 1986–1990
PANEL ONE
Where Can the President Act?

**MARK ROSE, chair**, is a professor in Florida Atlantic University’s Dorothy F. Schmidt College of Arts and Letters. He has written a number of books, including: *Interstate: Express Highway Politics; Cities of Light and Heat: Domesticating Gas and Electricity in Urban America;* and *The Best Transportation System in the World: Railroads, Trucks, Airlines*. Rose is an associate editor of *Enterprise & Society* and co-editor with Pamela W. Laird and Richard R. John of “American Business, Politics, and Society,” a book series published by the University of Pennsylvania Press.

**MORTIMER DOWNEY, III** is a senior advisor to Parsons Brinckerhoff. He served on the Transportation Policy Committee for the Obama presidential campaign, and was appointed leader of the Department of Transportation Agency Review Team during that transition. He later became the first federal member of the Washington Metropolitan Area Transit Authority Board and currently serves as first vice chairman. Downey was U.S. deputy secretary of transportation under President Bill Clinton and a former executive director and chief financial officer of the New York Metropolitan Transportation Authority.

**EMIL FRANKEL** is a visiting scholar at the Bipartisan Policy Center (BPC), and an independent consultant on transportation policy and public management issues. He previously served as BPC’s director of transportation policy, and in 2009, BPC issued its report and recommendations, *Performance Driven: A New Vision for U.S. Transportation Policy*, under his leadership. Frankel served as assistant secretary of transportation for policy from 2002 to 2005 and was a visiting lecturer at both the Yale School of Management and the Yale School of Forestry and Environmental Studies.
PANEL TWO
Prospects for Presidential Leadership

ASHLEY HALSEY, chair, is a senior transportation reporter at The Washington Post. He has been at the Post for 16 years, initially as an editor, and more recently, as a reporter. He began his career in Philadelphia as a sports writer for a weekly paper, and was later promoted to editor. Halsey went on to cover City Hall for the Philadelphia Bulletin, and later joined the Philadelphia Inquirer, serving several years as a roving national correspondent and as national editor.

MARCIA HALE is president of Building America’s Future (BAF) Educational Fund. Before joining BAF, Hale was a managing director at the law firm of McKenna Long & Aldridge in their public policy and government affairs practice. Hale previously served as director of public affairs for the Monsanto Corporation’s U.K. operations; she was eventually named their director of state and government affairs for the U.S. She also served in the Clinton administration as assistant to the President and director of intergovernmental affairs.

ROBERT Puentes is a senior fellow with the Brookings Institution’s Metropolitan Policy Program and director of its Metropolitan Infrastructure Initiative. He previously served as the director of infrastructure programs at the Intelligent Transportation Society of America. He has written numerous publications on transportation infrastructure, including: Banking on Infrastructure: Enhancing State Revolving Funds for Transportation; Moving Past Gridlock: A Proposal for a Two-Year Transportation Law; and A Bridge to Somewhere: Rethinking American Transportation for the 21st Century.

KATHY RUFFALO is the principal at Ruffalo & Associates, a government affairs consulting group. Ruffalo was appointed to the National Surface Transportation Infrastructure Financing Commission in 2006. She has been instrumental in writing recent transportation legislation, first as a senior policy advisor to the United States Senate Environment and Public Works Committee from 1989 to 1999. She went on to serve as a senior policy advisor to Governor Dirk Kempthorne (D-ID) before returning to the Environment and Public Works Committee to continue work on SAFETEA-LU in 2005.
JAMES BURNLEY, IV served as U.S. Secretary of Transportation under President Ronald Reagan from 1987 to 1989. He also served in USDOT as deputy secretary of transportation from 1983 to 1987 and general counsel in 1983. Burnley has served as senior domestic policy advisor to Elizabeth Dole’s presidential campaign, senior advisor to Senator Bob Dole’s (R-KS) 1996 presidential campaign, as part of the transportation transition team for the George H.W. Bush administration, and as an advisor on transportation matters during Senator John McCain’s (R-AZ) 2008 presidential campaign. He is a partner at Venable LLP.

ANDREW CARD served as U.S. Secretary of Transportation under President George H.W. Bush from 1992 to 1993. He then became president and chief executive officer of the American Automobile Manufacturers Association and General Motors’ vice president of government relations. Card was chief of staff to President George W. Bush from 2001 to 2006 and he also served in the George H.W. Bush and Reagan administrations. He is currently dean of The Bush School of Government and Public Service at Texas A&M University.

NORMAN MINETA was U.S. Secretary of Transportation under President George W. Bush from 2001 to 2006. As Secretary, Mineta oversaw the reorganization of USDOT after 9/11 and was instrumental to the passage of SAFETEA-LU in 2005. Mineta was appointed Secretary of Commerce under President William J. Clinton in 2000, and prior to that, he was vice president of Lockheed Martin. Mineta was a member of Congress representing San Jose, California, from 1975 to 1995 and chair of the House Committee on Public Works and Transportation from 1992 to 1994. Presently, he is the vice chairman of Hill & Knowlton.

MARY PETERS served as U.S Secretary of Transportation under President George W. Bush from 2006 to 2009. Peters previously served as Arizona’s director of transportation in 1998, and in 2001, she moved to Washington to work as the administrator of the Federal Highway Administration. She helmed the Federal Highway Administration from 2001 to 2006 and also served as the co-vice chairwoman of the National Surface Transportation Policy and Revenue Study Commission in 2006. She is the principal of Mary Peters Consulting Group, LLP.
SAMUEL SKINNER served as U.S. Secretary of Transportation under President George H.W. Bush from 1989 to 1991. Before joining USDOT, Skinner was chairman, president, and chief executive officer of USF Corporation; president of Commonwealth Edison Company and its holding company Unicom Corporation; and chairman of the Regional Transportation Authority of northeastern Illinois. Skinner also served as President George H.W. Bush’s chief of staff from 1991 to 1992. Presently, he is of counsel at Greenberg Traurig LLP.

RODNEY SLATER served as U.S. Secretary of Transportation under President Bill Clinton from 1997 to 2001. Slater was instrumental in the passage of several historic legislative initiatives during his tenure, including TEA-21, which guaranteed a record $200 billion in surface transportation investment through 2003, and the Wendell H. Ford Aviation Investment Reform Act for the 21st Century, which provided a record $46 billion to improve the safety and security of the nation’s aviation system. Prior to joining USDOT, Slater served as director of the Federal Highway Administration. He is a partner at Patton Boggs LLP.
THE MILLER CENTER

TRANSPORTATION SECRETARIES’ ORAL HISTORY

Interview Team

**Russell Riley** is chair of the Miller Center’s Presidential Oral History Program. In his time at the Center, he has logged more than 1,000 hours of in-depth, confidential interviews with cabinet officers and senior members of the White House staff reaching back to the Carter and Reagan administrations. Since 2003, he has led the William J. Clinton Presidential History Project, interviewing more than 100 former Clinton-era officials. Riley also is an associate professor in the University of Virginia’s politics department.

**Mark Rose** is a professor in Florida Atlantic University’s Dorothy F. Schmidt College of Arts and Letters. He has written a number of books, including: *Interstate: Express Highway Politics; Cities of Light and Heat: Domesticating Gas and Electricity in Urban America;* and *The Best Transportation System in the World: Railroads, Trucks, Airlines*. Rose is an associate editor of *Enterprise & Society* and co-editor with Pamela W. Laird and Richard R. John of “American Business, Politics, and Society,” a book series published by the University of Pennsylvania Press.

**Jeffrey Shane** serves as general counsel at the International Air Transportation Association (IATA). He joined IATA from Hogan Lovells, where he was as a partner specializing in domestic and international transportation issues. Shane previously held posts in USDOT as under secretary for policy and assistant secretary for policy and international affairs. He was also deputy assistant secretary of state for transportation affairs. Shane is a visiting fellow at the Miller Center and served as conference director for the 2009 and 2011 Goode National Transportation Policy Conferences.
KEYNOTE CONVERSATION

JAMES OBERSTAR represented Minnesota in the U.S. House of Representatives for 18 terms, becoming the body’s leading expert on transportation policy. While in office, Oberstar chaired the House Transportation and Infrastructure Committee from 2007 to 2011 and served as that committee’s ranking member prior to that. Oberstar also chaired the Aviation Subcommittee. Oberstar began his career in public service working for Representative John Blatnik (D-MN) in 1963, and in 1975, he sought and won his first term in the House of Representatives following Blatnik’s retirement.

GERALD L. BALILES is director and CEO of the University of Virginia’s Miller Center. Prior to joining the Miller Center, he was a partner at the law firm of Hunton and Williams, where he chaired the section on international law, and practiced aviation law. Baliles served as Governor of Virginia from 1986 to 1990. He also served as chairman of the National Governors Association while in office, as attorney general of Virginia from 1982 to 1985, and as a member of the Virginia House of Delegates from 1976 to 1982.
The Miller Center Foundation is grateful for the generosity of David Goode, whose vision and philanthropy have made it possible to launch and sustain the biennial David R. Goode National Transportation Policy Conference.

Gerald L. Baliles, Director and CEO of the Miller Center, acknowledges and thanks the committed work of those who organized the 2013 David R. Goode National Transportation Policy Conference.

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Miller Center Mission Statement

The Miller Center is a nonpartisan affiliate of the University of Virginia that specializes in presidential scholarship, public policy, and political history and strives to apply the lessons of history to the nation’s most pressing contemporary governance challenges.

For more information about the work of the Miller Center, please visit millercenter.org.