

TEA-21 Reauthorization: Congestion Mitigation and Air Quality Program

March 2005

Issue

- > **Potential major loss of CMAQ (Congestion Mitigation and Air Quality) funding to California as a result of proposed formula changes in TEA-21 reauthorization legislation.**

Background

- > A little-known provision was included in last year's Safe, Accountable, Flexible and Efficient Transportation Equity Act of the 21st Century (SAFETEA), S. 1072, Sen. Inhofe (OK) dramatically alters the formula by which CMAQ funds are apportioned to the states. The language was prompted in part by new EPA air quality standards that recently took effect for ozone and fine particulate matter (PM-2.5).

SAFETEA changes the weighting factors assigned to nonattainment areas for the purpose of determining each state's share of CMAQ funds. Under the current provisions of TEA-21, air basins with more severe pollution levels receive higher weighting factors (factors range from 1.0 for marginal and maintenance areas to 1.4 for extreme nonattainment areas).

However, the Senate proposal discontinues this weighted approach for the new eight-hour ozone standard, which recently went into effect. In lieu of the current weighting scheme, all areas would receive an equal factor of 1.0 under the Senate plan, regardless of the severity of pollution in a given air basin.

As a result, nonattainment areas in California designated by EPA as "severe" (South Coast Air Basin, comprising the counties of Los Angeles, Orange, San Bernardino and Riverside) or "serious"

(Sacramento metro, San Joaquin Valley and Coachella Valley) are placed on the same level as other nonattainment areas around the country that are not designated as "severe" or "serious".

It should be noted that the only "severe" or "serious" ozone nonattainment areas in the nation are in California.

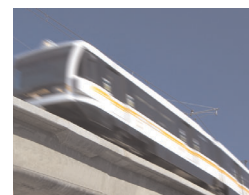
If enacted, this provision will have the effect of sharply reducing California's CMAQ apportionments. The state's overall share of CMAQ funds would decline by \$160 million over four years (2006-2009).

The Senate language represents a significant departure from current practice and would seriously undermine the integrity of the CMAQ program. It would also limit California's ability to continue to receive appropriate levels of CMAQ program funding to implement projects that improve air quality and, consequently, allow the State to meet attainment deadlines set by the EPA.

Current Status

- > This proposal was incorporated into SAFETEA (S. 1072), which passed the Senate in February 2004. The House reauthorization proposal (TEA-LU) did not include any comparable formula or policy changes to the CMAQ program.

Given that the Senate reauthorization proposal to be introduced and passed in the Senate this year is likely to be identical to last year's version, the appropriate venue to address this issue will be in conference.



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