The operator of the Indiana Toll Road announced this month it would seek bankruptcy protection with a creditor-supported restructuring plan. While the toll road was one of the first transportation public-private partnerships (P3s) in this country, it hasn’t really proven to be the model for other P3s as some believed it would. And, at least for now, it appears the bankruptcy will have little impact either on motorists who use the facility or on the burgeoning P3 industry in the United States. I also have a roundup of recent reports from the American Society of Civil Engineers and Eno Center for Transportation, the Pew Charitable Trusts, the National Association of Manufacturers, and the U.S. Public Interest Research Group. Plus the usual collection of links on MAP-21 reauthorization, the future of the Highway Trust Fund, state transportation funding initiatives, P3s and tolling and state multimodal strategies.

**Indiana Toll Road Operator Seeks Bankruptcy Protection**

Lower than projected traffic is the reason being given for the decision by the ITR Concession Company, operator of the Indiana Toll Road, to seek bankruptcy protection. The company, which is owned by the Spanish-Australian consortium Cintra-Macquarie, filed for Chapter 11 on September 21 and will sell all of its assets including rights to the toll road, *Bloomberg reported*.

Revenues on the facility, which did increase every year between 2008 and 2013, were still lower than projected due in part to the recession, which impacted interstate commerce and trucking activity.

ITR has proposed a reorganization plan with support from debt-holders and equity owners to either sell the company through a competitive process or restructure with $2.75 billion in new debt. The company had missed a debt interest payment in June and the Indiana Finance Authority had given them 90 days to pay their debts, warning ITR that the company risked default on the 2006 public-private partnership contract in which the company acquired the rights to operate and maintain the road for a term of 75 years.

If ITR is able to sell the toll road rights, a new operator would be subject to the terms of the original lease agreement. While some state legislators fear a new operator will increase tolls to increase revenues, others say there are enough protections in the legislation that authorized the public-private partnership to protect the interests of the state and motorists. If another investment firm doesn’t buy it, there is the possibility that hedge funds that have bought the company’s debt might take over. If a future owner of the facility fails to keep it in good repair, there is a claw-back provision in the law that allows the state to take it back over, which could involve a lengthy legal process. The state might even be able to put the road up for auction again to the highest bidder at some point in the future.

At least for now, officials say motorists should expect no changes on the road and no changes in toll rates as a result of the bankruptcy because the lease agreement remains in effect. Prior to just before the P3 deal was closed in 2006, toll rates on the toll road had not been raised in more than 20 years, one of the reasons the facility needed major improvements, which the private sector came in and did. Annual toll rate increases were written into the concession agreement to prevent huge one-time
increases and provide predictability for motorists. An increase that took effect July 1 was in the neighborhood of 2.5 percent.

The reactions of Indiana state legislators to the bankruptcy have fallen along familiar political lines. Legislators who voted for the P3 deal in 2006 say the state already made out like bandits on the deal and has already spent much of the money. They point to the one-time, lump sum payment of $3.8 billion the state received in the deal, which was used to pay off the original debt on the facility, invest in other projects around the state (as part of then-Gov. Mitch Daniels’ 10-year Major Moves program) and create a legacy fund for future projects.

“Now the Toll Road operator is restructuring its debt—so what’s the worst that can happen?” writes Sen. Thomas Wyss, who supported the deal in 2006 and who will retire at the end of his current term, in a recent op-ed for The (Fort Wayne) Journal Gazette. “The state owns the Toll Road. The Indiana Finance Authority must approve any potential new operator, one subject to the same operational standards and toll-setting restrictions as the current operator, and one that could continue with improvements. Or—the most remote possibility—the Toll Road would revert back to the state with hundreds of millions in improvements already made on the operator’s dime. All of those possibilities, combined with the benefits already realized, say ‘win-win’—with Hoosier taxpayers scoring the overwhelming victory on this deal.”

But those who didn’t support the deal are now having an “I told you so” moment because they always expected something like this to happen, although maybe not this soon into the 75-year lease agreement.

“This is our worst fear come to fruition,” said state Sen. John Broden, who voted against the lease.

“It was a bad deal for the state,” said Rep. Patrick Bauer, who was House Minority Leader in 2006.

One could have predicted these reactions after reading the article I wrote last year for Capitol Ideas about the legacy of the toll-road lease.

ITR isn’t the first toll road operator to seek creditor protection. Operators of toll roads in California and South Carolina each filed for bankruptcy in 2010 citing low traffic volumes. But whether that constitutes a trend and whether the ITR bankruptcy is likely to have a greater impact on the P3 sector as a whole, it appears unlikely. In many ways the Toll Road is a unique facility and the lease agreement was a unique P3 deal. Although it was one of the first transportation P3s in this country, it hasn’t really proven to be a model that’s been all that closely followed for other deals. Contracts have evolved since 2006. Risk sharing in P3s has evolved. The huge up-front payments from the private sector like Indiana got don’t really happen much anymore. Toll roads will always be risky because traffic projections are not an exact science. And yes, future projections will need to better take into account declines in VMT and changing transportation usage, particular among millennials (more on that below). But will this bankruptcy slow down the movement toward more public-private partnerships in this country? I kind of doubt it.

“Many other public-private partnerships have been successful,” notes Rick Newman in a piece for Yahoo Finance this week that I spoke with him for. “In Indiana’s case, there seem to have been three basic problems: flawed traffic projections, excessive use of debt to finance the deal, and plain old bad timing, given that the recession came right on the heels of the lease.”

Toll road expert Robert Poole of the Reason Foundation told Roll Call the excessive debt was a major factor for ITR because the concession relied on “a very aggressive financing structure, requiring large debt service payments toward the end of the first decade of the 75-year agreement.”
Poole said that states, in considering future toll road deals with the private sector, should not “base competitions on maximizing such up-front windfalls” like Indiana got. “For one thing, they may well lead the winning bidder to take on excessive debt that jeopardizes its ability to run the project as a business.”

**ASCE/Eno Report on Life Cycle Cost Analysis**

The American Society of Civil Engineers and the Eno Center for Transportation have issued a joint report on “Maximizing the Value of Investments Using Life Cycle Cost Analysis.” Those who attended the CSG National/CSG West Annual Meeting in Anchorage last month got a preview of the report, which came out today.

The report notes that in the face of constrained budgets, high importance is often placed on the up-front costs of projects. But improving long-term decision making will require planners and policymakers to begin thinking more about maintaining and operating transportation assets over time and the accompanying costs.

Some agencies have successfully implemented life cycle cost analysis programs and saved significant amounts of money in the process. But, the report says, barriers remain to creating or expanding the use of life cycle cost analysis in transportation. The report looks at the existing regulatory framework for encouraging greater use of life cycle cost analysis and details the experiences of agencies that have begun to incorporate it into their decision making processes.

The report recommends a series of policy innovations at the federal and state and local levels to expand the use of life cycle cost analysis. At the federal level, the report recommends:

- Allowing USDOT to tie performance to discretionary funding and rewarding states that make the most cost-effective decisions;
- Launching a discretionary grant program targeted toward asset management;
- Having Congress direct states and MPOs to use a life cycle cost analysis-driven cost-effectiveness ranking to inform their Statewide Transportation Improvement Programs (STIP) and Transportation Improvement Programs (TIP);
- Improving data resources; and
- Funding a development course for life cycle cost analysis leaders.

At the state and local level, the report recommends:

- Establishing a life cycle cost analysis pilot program;
- Introducing state legislation to perpetuate and strengthen life cycle cost analysis programs;
- Dedicating funding to workforce development; and
- Partnering with the private sector.

“With the focus of funding shifting toward system preservation, greater use of (life cycle cost analysis) can ensure sustainability of future budgets and better management of our vital infrastructure,” the report said.

**Pew Report Provides Primer on Surface Transportation Funding**

A new report from the Pew Charitable Trusts looks at “Intergovernmental Challenges in Surface Transportation Funding.”

“The transportation funding system is confronting significant difficulties in maintaining investments at all levels of government,” the report said.
During the period between 2002 and 2011, overall surface transportation spending fell by $27 billion or 12 percent in real terms. State spending on transportation saw a 20 percent decline in real terms over the period.

The federal Highway Trust Fund meanwhile has seen revenue fall short of expenditures for more than a decade. Those shortfalls have implications at all levels of government.

One main culprit for the challenges is of course the gas tax, which hasn’t been generating enough money in recent years to keep pace with the rising cost of construction.

At the same time, the report notes, there is broad consensus that the transportation funding challenges are occurring at a time when the transportation system needs more investment.

The report identifies four key principles policymakers can keep in mind as they evaluate approaches and consider short- and long-term solutions:

- Falling revenue forces hard choices between raising additional revenues or managing within existing resources by cutting spending.
- While financing measures such as municipal bonds, infrastructure banks and public-private partnerships can be vital tools for building infrastructure, they should not be mistaken for funding. Borrowed funds will eventually need to be repaid with taxes, tolls, fees or other revenue sources.
- The roles of all levels of government in transportation funding need to be rethought. The purpose and role of federal transportation funding hasn’t been clearly defined since the completion of the interstates. But any reassessment of the federal role needs to take into account the fiscal conditions of all levels of government and how states and localities might change their roles to complement a revised federal approach.
- The various levels of government should communicate and operate as partners.

**NAM Study Looks at Economic Benefits of Infrastructure Investment**

The potential economic benefits of increased and targeted investments in infrastructure are the focus of a new study commissioned by the National Association of Manufacturers. The study, entitled “Catching Up: Greater Focus Needed to Achieve a More Competitive Infrastructure,” found that such increased investments in the neighborhood of $100 billion annually from public and private funding sources over the next 15 years would:

- Increase jobs by almost 1.3 million by 2015 and 1.7 million by 2017;
- Grow real GDP 1.3 percent by 2020 and 2.9 percent by 2030;
- Create a progressively more productive economy, which would benefit from a $3 return on investment for every $1 invested in infrastructure by 2030;
- Provide Americans an increase in take-home pay after taxes—a $1,300 net gain per household by 2020 and $4,400 per household by 2030 (measured in 2009 dollars).

But the report also notes that the last decade has seen troubling declines in the volume of highway, road and bridge investments and further sharp decreases in mass transit, aviation and water transportation infrastructure investment. If this period of decline is allowed to continue, job creation, future productivity and our ability to compete globally will be at risk, the report indicates.

“Widespread access to high-quality infrastructure is indispensable to the United States’ economic development and standards of living,” the report said. “It is possible, however, that the poor current and prospective conditions of our infrastructure systems will significantly undermine prosperity in coming years. A new infrastructure effort is needed, and new ideas can and should accompany this...
investment. There is no better time than now to address the problem.”

**U.S. PIRG Identifies “Boondoggles,” Calls for Reorienting Transportation Funding**

The U.S. Public Interest Research Group Education Fund has a new report out entitled “Highway Boondoggles: Wasted Money and America’s Transportation Future.” It identifies 11 transportation projects around the country the group says are “questionable projects poised to absorb billions of scarce transportation dollars.”

Among the list are the Illiana Expressway in Illinois and Indiana, Seattle’s Alaskan Way Viaduct, the Dallas Trinity Parkway in Texas, and the double-decker I-95 reconstruction in Milwaukee.

Citing changing driving habits, the group calls for reassessing the need for such highway expansion projects. PIRG says policymakers should reorient transportation funding away from highway expansion and toward repair of existing roads and investment in other transportation options.

“Investments in public transportation, changes in land use policy, road pricing measures, and technological measures that help drivers avoid peak-time traffic, for instance, can often reduce congestion more cheaply and effectively than highway expansion,” the report said.

PIRG also argues for reevaluating transportation forecasting models to ensure they reflect changing preferences for housing and transportation among Millennials and others, and incorporate the availability of new transportation options such as carsharing, bikesharing and ridesharing.

**MAP-21 Reauthorization & the Future of the Highway Trust Fund**

- The U.S. Department of Transportation this month announced the awarding of 72 TIGER discretionary grants for transportation projects in 46 states and the District of Columbia. TIGER (Transportation Investment Generating Economic Recovery) was first created under the 2009 American Recovery and Reinvestment Act and provides an opportunity for DOT to invest in road, rail, transit and port projects that promise to achieve critical national objectives. The department said it received 797 eligible applications from 49 states, U.S. territories and D.C. Those applicants requested 15 times the $600 million available under the program. Transportation Secretary Anthony Foxx said that demand demonstrated the need for greater transportation investment. Despite that demand, Streetsblog USA noted, the future of the TIGER program is uncertain. Some House Republicans want to both substantially cut the amount available for the grants and limit the kinds of projects that would be eligible for future grants. Meanwhile, the Government Accountability Office (GAO) issued a new report applauding the department for revising its application process following an earlier report but indicating more needs to be done to measure the overall success of the program. In the earlier report, GAO had found that DOT did not document its rationale for advancing 43 projects with lower technical evaluation ratings instead of 22 more highly rated projects in the 2013 funding round.
- Another GAO report out this month finds that the U.S. Department of Transportation’s efforts to implement freight-related provisions of MAP-21 haven’t fully considered freight-related traffic congestion.
- House Speaker John Boehner said recently he thinks tax reform legislation and a long-term highway bill “are in the realm of doable” during the final two years of the Obama Administration, The Hill reported.
- A number of transportation stakeholder groups recently went on record opposing the so-called devolution of the federal highway program and the proposed Transportation Empowerment Act, Better Roads reported. The act, which was introduced last fall and voted on as an amendment to the latest Highway Trust Fund patch, would transfer almost all authority over federal highway and
transit programs to the states over five years. The groups include the American Trucking Associations, AAA, the U.S. Chamber of Commerce, AASHTO, the American Highway Users Alliance, the American Road and Transportation Builders Association, the American Society of Civil Engineers and the Associated General Contractors of America. In a September 16 letter to Congress [20], the coalition contends that “Devolution...would prove disastrous to state and local governments’ ability to maintain and improve their transportation systems when it is widely acknowledged that current resources are seriously insufficient.” The Transportation Empowerment Act was a key topic of conversation during our recent Transportation Policy Academy in Washington.

- A bipartisan bill dubbed the Innovation in Surface Transportation Act introduced earlier this month by Senators Cory Booker and Roger Wicker would devote 10 percent of federal surface transportation funding (about $5 billion per year) to local-level projects, Streetsblog USA noted [21]. The funds would be split between the states and be distributed on a competitive basis to local governments, transit agencies and regional planning agencies.
- FHWA Acting Administrator Greg Nadeau touts the accomplishments of the agency’s five-year-old Every Day Counts (EDC) initiative in a recent blog post [22]. EDC is an initiative to speed up the delivery of highway projects with innovative construction techniques and innovations.
- The July-August issue of the Transportation Research Board’s TR News magazine is devoted to the topic “Performance Management in Practice.” [23] You can read an article from the issue on “Organizational Support for Performance Management.” [24]

**State Activity on Transportation Revenues**

- **California:** The state legislature has passed a bill to authorize creation of a pilot program for a vehicle miles traveled tax. SB1077 [26] would create a task force to develop the pilot, GoByTruck News reported [27]. Oregon and Washington are also testing VMT systems. The San Diego Union Tribune has more [28] on the measure.
- **Connecticut:** Both Gov. Dannel Malloy and his challenger, Greenwich businessman Tom Foley, say they want to spend heavily on transportation but neither is committing to any plans to pay for such investments, The Connecticut Mirror reported [29].
- **Florida:** Some in the Sunshine State want to permit cell phone towers on state property and use the proceeds to help fund transportation. The state is also looking at allowing businesses to install signs on state nature and recreational trails, The Times-Picayune reported. [30]
- **Illinois:** The Chicago Tribune recently looked [31] at the impact of people driving less on gas tax revenues and the condition of roads and bridges in states like Illinois.
- **Minnesota:** Transportation projects vying for federal dollars in the Twin Cities area will now be judged partly on whether they benefit the poor and people of color, MPR News reported recently. [32]
- **Mississippi:** According to a recent article in The Times-Picayune [30], the state is considering a proposal to establish a lottery with proceeds going to the Mississippi Roads Improvement Fund. Other proposals under consideration include: directing a percentage of the sales tax to a transportation fund, imposing a 6 percent tax on the wholesale price of fuel, and creating new taxes on establishments and diverting a portion of that revenue to highways.
- **New Jersey:** Lawmakers are looking at ways to replenish the state’s transportation fund, CBS New York and the Associated Press reported [33]. Among the ideas reportedly under consideration: a gas tax increase, a tax on rental cars, an increase in the tax on refineries and expanded tolling. As the Philadelphia Inquirer reported [34]: “For decades, the state has borrowed money to finance road and bridge repairs, instead of finding new revenue to pay for maintenance and upgrades. Now, that policy has resulted in a crisis: All revenue from the state gasoline tax is devoted to more than $1
billion in debt service, and the Transportation Trust Fund won’t have enough money to last through fiscal year 2016, which begins in July.” The state will need to develop a funding plan by next spring in order to qualify for $1.6 billion in matching federal funds. In an analysis piece for NJSpotlight, Mark Magyar argues that a number of factors augur well for agreement on a long-term solution for the Transportation Trust Fund, including high-level talks, Gov. Chris Christie’s political calculus, and Christie’s recent appointment of a new state DOT chief—a Democrat with a history of political deal-making. The state could also look to merge its three main transportation bureaucracies next year to help reduce administrative costs and produce savings on transportation spending. According to a report this month from the Reason Foundation, New Jersey ranks 48th among the states in the cost effectiveness of its state roads. The state absorbs high per-mile costs for maintaining and operating the roads despite their continuing poor condition.

- **North Carolina**: Gov. Pat McCrory and Transportation Secretary Tony Tata recently unveiled the governor’s 25-year vision for transportation on a cross-state tour. The vision statement doesn’t include a list of specific projects but rather more generalized future investments in each region of the state. The vision also addresses the need for alternative funding solutions such as: optimizing public-private partnerships, reducing dependency on federal dollars, taking advantage of historically low interest rates; and presenting targeted revenue recommendations to the General Assembly for action during the 2015 legislative session. But some say one aspect of the governor’s plan could fly in the face of much touted legislation approved earlier this year to get politics out of planning processes and rely on data-driven rankings to determine which transportation projects to invest in, McCrory has proposed borrowing $1 billion for new highway construction, possibly for road projects that scored near the bottom under the new ranking system. … The N.C. Department of Transportation hopes to generate additional revenues for transportation by selling advertising and naming rights on highway shoulders, rest areas, ferry boats and department websites.

- **South Carolina**: The state faces a $42 billion shortfall in the amount it expects to have to build and repair roads and bridges and the projected cost of doing that work through 2040, A House panel has been tasked with identifying a way to pay for repairing the state’s roads and is supposed to have ideas ready when the General Assembly convenes in January. State DOT officials told the panel at a recent hearing that the state’s road system depends on the federal government for almost $900 million of its $1.5 billion budget. One House member—a former state highway commissioner—suggested in a recent op-ed that the state’s transportation funding needs could be met by tolling interstate highways.

- **Texas**: Voters in November will decide whether to designate a portion of the state’s oilfield severance tax for highway construction. But the $1.4 billion the change could bring in is less than a third of the $5 billion TxDOT officials say they’ll need annually for highway construction, repairs and maintenance over the next two years. Among the options on the table to make up the difference, according to WOAI News Radio: raising the gas tax, raising the vehicle registration fee, designating most or all of the motor vehicle sales tax for TxDOT, increased tolling and transitioning to mileage-based user fees. KVUE also looked at the efforts of state officials to consider new ways to fund highways in a recent piece.

- **Virginia**: The tax on the average wholesale price of gas appears likely to rise by 1.6 cents on the dollar starting January 1, That’s because Congress still hasn’t passed the Marketplace Fairness Act to give states the power to collect sales taxes on online purchases. When Virginia lawmakers approved the state’s transportation funding package last year, they included the additional gas tax hike as a safeguard to fill a revenue gap if Congress failed to act. … The method Virginia uses to decide which transportation projects will receive funding will change starting in July 2016. The Commonwealth Transportation Board will then be required to use five criteria to evaluate projects: congestion mitigation, economic development, accessibility, safety and environmental quality. State DOT officials are currently seeking input from MPOs on how to implement the criteria.
• Wisconsin: A recent Associated Press article noted that Wisconsin faces a projected $680 million deficit in its 2015-17 transportation budget, a deficit that’s expected to grow to more than $15 billion over the next 10 years. A new coalition of road builders, economic development leaders, local government officials and others have been making the case for a long-term solution to transportation funding in recent weeks. But Gov. Scott Walker and his Democratic challenger Mary Burke have been largely noncommittal when it comes to potential solutions. Walker’s Transportation Secretary, Mark Gottlieb, has been traveling the state to discuss a 2013 task force report that laid out the problems and possible solutions. That report recommended increasing a variety of driving-related taxes and fees to fund $4.8 billion in projects over 10 years. But Republicans in the state legislature balked at the panel’s recommendations. Among the options in the task force report that could be resurrected: a gas tax increase, mileage-based registration fees, driver’s license fee increases, and eliminating the sales tax exemption on the trade-in value of vehicles. ... A recent report from the Wisconsin Public Interest Research Group found that the state spends far too much on huge road expansion projects at the expense of repairs to existing roads and improvements to transit, bike and pedestrian infrastructure.

• During primary season, voters showed their support for state legislators who voted in favor of raising additional transportation revenues in Vermont, New Hampshire and Massachusetts over the last two years, the Transportation for America blog noted.

Public-Private Partnerships & Tolling

• At a news conference September 17 in Washington, members of the House Transportation and Infrastructure Committee’s Panel on Public-Private Partnerships released their final report on “Balancing the needs of the public and private sectors to finance the nation’s infrastructure.” The panel recommended a series of actions in the areas of improving the capacity of the public sector, breaking down barriers to consideration of P3 projects, and ensuring transparency and accountability.

• The U.S. Transportation and Treasury departments hosted an infrastructure investment summit earlier this month in Washington “to mobilize private sector investment capital, uncover new financing approaches, and accelerate project development,” Transportation Secretary Anthony Foxx noted in a recent blog post.

• The Federal Highway Administration published its final Core Toll Concessions P3 Model Contract Guide this month as part of a mandate under MAP-21 to develop “standard public-private partnership transaction model contracts for the most popular types of public-private partnerships.” Nossaman’s Infra Insight Blog has more about the guide.

• Joan Lowy of the Associated Press examined states’ increasing use of tolling to pay for highways in a recent piece.

• Florida: The Florida Center for Investigative Reporting had an extensive piece recently on the expansion of tolling on the state’s busiest highways. Among other things, the article gives an explanation for the origin of Express Lanes and examines what may lie ahead for tolling in the Sunshine State. ... The state has received the largest-ever P3 TIFIA loan for reconstruction and widening of 21 miles of I-4 in Orlando, Roads & Bridges noted. It was announced earlier that Skanska has signed a concession agreement and reached financial close with the Florida Department of Transportation for the financing, design, construction, operation and maintenance on what is known as the I-4 Ultimate Project.

• Illinois: The News-Gazette newspaper agreed with the U.S. PIRG report I mentioned earlier when they recently editorialized against the Illiana Expressway, a proposed 47-mile toll road that would connect Interstates 55 and 65 that the newspaper called a “boondoggle” that’s both “unnecessary and unaffordable.” “Although cast as a partnership involving the states of Illinois, Indiana and private developers, the agreement exposes Illinois taxpayers to substantial costs and risks while assuring the developers a guaranteed profit,” the newspaper said. Last week the Illiana
project cleared a hurdle when the Federal Highway Administration issued a tier two Environmental Impact Statement on the project. A record of decision from FHWA could come before the end of the year, *Crain’s Chicago Business* reported. [60]

- **Kentucky:** The Kentucky-Indiana Joint Board has selected Virginia-based Kapsch TrafficCom as the preliminary preferred proposer to oversee toll services on the three interstate bridges that make up the Ohio River Bridges Project, *The (Louisville) Courier-Journal* reported [61]. WDRB-TV had a profile of the company [62].

- **Louisiana:** A state-funded feasibility study showed tolls starting at 18 cents-a-mile could be used to pay from one-quarter to one-half of the more than $3 billion price tag to complete Interstate 49 South from Lafayette to New Orleans, according to *The (Baton Rouge) Advocate* [63].

- **Maryland:** The estimated cost of building the Purple Line light rail project through the Maryland suburbs has risen $56 million to a total of $2.43 billion, *The Washington Post* reported earlier this month [64], citing an FTA report. It was the second cost increase for the project in seven months.

- **Ohio:** The Portsmouth Gateway Group appears to be [65] the state’s choice to build the Portsmouth Bypass, a 16-mile, four-lane limited access highway from U.S. 23 north of Lucasville to U.S. 52 near Sciotoville, which would be both the largest single construction project ever for the Ohio Department of Transportation and the state’s first ever public-private partnership.

- **Pennsylvania:** PennDOT recently released the final list of 558 state bridges that will be part of the state’s Rapid Bridge Replacement Public-Private Partnership, *The Pittsburgh Post-Gazette* reported [66]. Since most of the new bridges will have similar designs and construction standards, PennDOT hopes to achieve cost savings with the bundled project. ... *PennDOT has also agreed to* [67] a three-year contract with State Farm, which will sponsor the agency’s roving safety patrol offering free motorist assistance on select expressways around the state. The sponsorship will offset nearly 11 percent of the $4 million annual cost of the service.

- **Texas:** During the recent International Bridge, Tunnel and Turnpike Association annual conference in Austin, Gov. Rick Perry touted tolling as one of the strategies the Lone Star State has used to add 6,600 lane miles to its road system during his 13 years as governor, the *Dallas Business Journal* [68] and *The Texas Tribune* [69] both reported.

- **Virginia:** Escalating costs and environmental concerns are making it unlikely work will resume on a new highway that Gov. Terry McAuliffe put a halt to soon after taking office, *The Washington Post* reported [70]. The state spent $250 million on the project without even breaking ground.

**State Multi-Modal Strategies**

**Transit**

- Transportation Secretary Anthony Foxx announced this month [71] that 40 projects have been selected to receive a share of $3.6 billion to help public transportation systems in areas affected by Hurricane Sandy become more resilient in the face of future natural disasters.

- The Federal Transit Administration announced recently they’re now accepting applications until November 3 from transit agencies seeking a share of $20 million in funding made available as part of MAP-21 for communities seeking to support better development within new transit corridors, *Transportation for America* noted [72].

- **District of Columbia:** The development of DC neighborhoods like NoMa and H St., NE in recent years was one of the topics at our recent *Transportation Policy Academy in Washington*, [73] Another proposed development in the same area would look to build a deck over the tracks behind Union Station to support a commercial and residential hub. But, as *The Washington Post* noted [74] recently, it won’t be easy or cheap to build.

- **Hawaii:** Honolulu is building the first fully automated, wide-scale urban transit system in the United States, a 20-mile elevated rail line that is expected to open in 2017 and help reduce the city’s major congestion issues by 18 percent, *The Atlantic CityLab* reported [75].
• **Indiana:** Planning for Central Indiana’s first bus rapid transit line will get a boost from a TIGER grant, [WTHR reported](#) [76].

• **Massachusetts:** The anticipated cost of extending the Green Line on Boston’s T has increased from $1.4 billion to nearly $2 billion, [WBUR reported](#) [77].

• **Michigan:** Detroit’s long-delayed M-1 Rail streetcar line will get a boost from a $12.2 million TIGER grant, [The Detroit Free Press reported](#) [78].

• **Minnesota:** Brendon Slotterback makes the case for a one penny sales tax to fund transit projects in the Twin Cities in a recent piece for Streets.mn [79]. He cites the precedent of Houston using a penny sales tax to fully fund construction of its first light rail transit line.

• **Missouri:** Kansas City officials are now pondering what to do next after voters last month rejected a measure to create a taxing district to help fund new streetcar lines. [The Atlantic CityLab reports](#) [80] that many cities around the country are facing similar challenges.

• **Nebraska:** Omaha is getting a $15 million federal grant for a new rapid bus service, [the Associated Press noted](#) [81].

• **Nevada:** Rapid bus service between Reno and Sparks and improved bike lanes in Las Vegas will share nearly $30 million in TIGER funding, [the Associated Press reported](#) [82].

• **North Carolina:** A streetcar project in Charlotte is now projected to cost more to operate than city buses and light rail, [The Charlotte Observer reported](#) [83].

• **Ohio:** [The Atlantic CityLab looks at](#) [84] how pro-streetcar forces in Cincinnati prevailed. A recent [Cincinnati Enquirer editorial](#) [85] looked at some things city officials need to do to fund the streetcar. [Governing magazine also took a look](#) [86] at Cincy’s urban transformation in areas like Over-th-Rhine in a recent piece.

• **South Carolina:** Some think mass transit could be the key to the Palmetto State’s future, [The Post and Courier reported](#) [87].

• **Virginia:** [RVA News looks at](#) [88] lessons the city of Richmond can take away from failed bus rapid transit projects in other cities as it develop its own. ... The second phase of the Silver Line Metrorail extension to Dulles Airport will see some design changes to comply with new state environmental regulations, [WAMU reported](#) [89]. That could mean increased tolls on the Dulles Toll Road beginning in 2019, [WUSA 9 reported](#) [90].

• **Washington:** [The Atlantic CityLab reports](#) [91] that Seattle’s third streetcar line could be different from the others.

• **Wisconsin:** [The Milwaukee Journal Sentinel reports](#) [92] on the challenges and opportunities presented by the city’s streetcar plans.

**High-Speed Rail**

• **Texas:** Work has begun on an environmental impact statement for the Texas Central Railway, a proposed privately financed, 240-mile high-speed rail line between Houston and Dallas, [Community Impact Newspaper reported](#) [93].

**Freight Rail**

• **Connecticut:** The state captured $23 million in TIGER grants that will go toward a transit center and waterfront development project in Waterbury and improvements to a key freight rail line from New London to Massachusetts, [The Hartford Courant reported](#) [94].

**Active Transport**

• **District of Columbia:** The Coalition for Smarter Growth, or as I call them “the other CSG,” [issued a report this month](#) [95] that says the District needs to do more to create mobility options for an increasing older population.