A new Congress this year could decide the long-term future of federal surface transportation programs after years of uncertainty that have had a huge impact for states and their planning processes. Meanwhile, 2015 could bring significant activity in state capitals on transportation funding initiatives. Public-private partnerships and tolling seem likely to continue their evolution after what was a pivotal year in 2014. With transportation funding scarce, the process of planning and approving transportation projects is under new scrutiny as well and appears likely to be influenced by a growing number of new metrics and methodologies, technological, demographic and lifestyle changes, and other factors. The struggles to increase transportation investment at the federal and state levels continue despite what appears to be solid evidence of the job creation and economic growth potential of investment, as evidenced by the actions of some of America’s biggest economic competitors. Here’s my expanded article on the top 5 issues in transportation for 2015 and a selection of additional CSG and non-CSG resources where you can read more.

**Issue Number 1: Federal Uncertainty**

Last summer, Congress approved an extension of 2012’s MAP-21 surface transportation authorization legislation and patched up the depleted federal Highway Trust Fund with a $10.8 billion infusion from the general fund. That extension is expected to allow states to reimburse contractors for work on projects only through May, just as the road construction season begins in many states. While MAP-21 was a two-year bill, the federal transportation program has seen numerous temporary extensions in recent years, many of a much shorter duration. Many believe this approach, which makes it difficult for state officials to do long-term planning, is doing damage to the nation’s transportation system. It will be up to Congress—including the new Republican Senate—to decide whether the practice continues, whether long-term certainty can once again be a hallmark of the federal program or whether the federal government will scale back its role in transportation and leave it up to states to determine a path forward.

**CSG Resources**


**Further Reading**

- “White House stops short of endorsing fuel tax increase to fund transportation,” [10] *Land Line*
magazine, January 6, 2015.


“Not hiring: A Tennessee Story.” [40] Fast Lane: Official Blog of the U.S. Dept. of Transportation,
October 31, 2014.


**Issue Number 2: State Funding Efforts**

Following the deluge of major transportation funding packages passed by states in 2013, elections and other factors combined to make 2014 a somewhat quieter year. But a large number of states appear poised to tackle transportation funding during their 2015 legislative sessions. Among the policy ideas that could be in play: gas tax increases and indexing, mileage-based fees, vehicle registration fees, sales taxes, bonding and tolling. The state of Michigan even got a head start on 2015 when the state legislature in December approved a measure that will ask voters to decide this May whether to increase the statewide retail sales tax, increase vehicle registration fees, put in place a wholesale percentage tax on motor fuels and eliminate the current fixed sales taxes on gasoline and diesel fuel. If the ballot initiative succeeds, it’s expected to create $1.2 billion in new annual revenue for roads and bridges and $112 million for transit and rail.

**Previous CSG Resources**


**Further Reading**

- “Transportation funding will be political struggle.” [56] Columbus Ledger-Enquirer, December 15, 2014.
• “Nathan Deal on transportation: ‘We should be looking at everything,’” [61] Atlanta Journal-Constitution, December 8, 2014.
• Minnesota: “Minnesota roads need money, but where should it come from?” [73] Pioneer Press, January 3, 2015.
• “Mark Dayton wants to limit tax increases to transportation funding,” [74] Pioneer Press, December 30, 2014.
• “Sweeney: TTF replenishment plan needs to be ‘priority importance,’” [84] Politicker NJ, December 11, 2014.


Issue Number 3: Public-Private Partnerships & Tolling

2014 was a transitional year for public-private partnerships, also known as P3s, and tolling that could have ramifications for 2015 and beyond. The private entity running the Indiana Toll Road, one of the first P3 toll roads in the U.S., went through bankruptcy. Virginia, a leader in P3 projects over the last several years, revised its procurement guidelines in the wake of a canceled P3 project. A controversial widening project prompted Colorado to rethink the issues of transparency and public input in P3 projects. An anti-toll backlash emerged in Texas, where toll roads have proliferated in recent years.
Maryland voters elected a Republican governor who has expressed concerns about two innovative P3 light rail projects. These events all took place during a year in which both Congress and the Obama administration weighed in with encouragement for P3s and expanded tolling.

**Previous CSG Resources**


**Further Reading**

- “A 5-Part Test for Public-Private Partnerships: To get a P3 proposal to the finish line, public officials need to keep some important principles in mind.” [116] Governing, December 17, 2014.
- “The Indiana Toll Road and the Dark Side of Privately Financed Highways.” [125] Streetsblog USA, November 18, 2014.
- **Indiana:** “When good toll roads go bad.” [133] Northwest Indiana Times, December 27, 2014.


Older

Issue Number 4: Project Selection

With additional revenues for transportation hard to come by in the years ahead, planners and policymakers will have to be more selective about the projects in which they choose to invest. Those decisions likely will be influenced by a growing number of new metrics and methodologies, technological, demographic and lifestyle changes, and other factors. They may look at cost-benefit analyses to determine the projects that could have the greatest economic impact and life-cycle cost analysis to try to better estimate the cost of projects over time. They’ll consider project selection through revised processes like those recently adopted in North Carolina and Virginia that attempt to remove some of the politics from those choices. They’ll consider reforms to outdated metropolitan planning organization structures and processes that influence state transportation planning. Among other questions, they will ponder whether funding that’s available from the federal government sometimes steers states and communities to pursue projects that might not be top priorities or in their best interest simply because the money is available. In the face of declining vehicle miles traveled and declining car ownership, what are states and communities doing to invest in transit and provide modal choice? Within transit, how are they making decisions about what projects make the most sense and where—light rail or streetcar, bus rapid transit or expanded conventional bus routes? Will bike lanes, pedestrian improvements and other features continue to win investment? How should the millennial generation and their shifting preferences and priorities factor into the equation? What implications will the eventual proliferation of autonomous vehicles have for transportation planning? How will the expansion of the Panama Canal—now scheduled for completion early next year—shift cargo and freight patterns around the country and how will it impact other modes and influence the priority project list?

Further Reading

Public Transportation

- “Arlington (VA) officials halt efforts on streetcars for Columbia Pike, Crystal City.” [176] The


Declining VMT


“Driving in the US has been declining for years. Will cheap gas change that?” [184] Vox, December 27, 2014.


“The Indiana Toll Road and the Dark Side of Privately Financed Highways.” [125] Streetsblog USA, November 18, 2014.


Active Transport


“How Does Your State Stack Up on Funding for Walking and Biking?” [198] Streetsblog USA, April 21,
State & Local Transportation Planning Processes

- “(South Carolina) Plan for Road, Transit Investment Faces $1.5 Billion Annual Funding Shortfall,” [199] AASHTO Journal, December 12, 2014
- “(Colorado Department of Transportation) works on transportation needs through 2040,” [200] KRDO, December 11, 2014.
- “Haslam: (Tennessee Department of Transportation), not lawmakers, should have final say on transportation projects,” [205] Nashville Business Journal, December 3, 2014.
- “Pasadena development review moves away from auto delay and toward auto miles traveled,” [208] State Smart Transportation Initiative, November 17, 2014.
- “Strategic Prioritization,” [211] North Carolina Department of Transportation.
- “Locals encountering help or hindrance from states on their transportation plans,” [215] Transportation for America, March 24, 2014.

Cargo/Freight


Millennials


Autonomous Vehicles


Other
Issue Number 5: State Pathways to Prosperity: Infrastructure & the Economy

The Council of Economic Advisers estimates that every $1 billion in federal highway and transit investment would support as many as 13,000 jobs for one year. A 2014 Duke University study found that underinvestment in infrastructure has cost America more than 900,000 jobs, including 97,000 in manufacturing. Much of that underinvestment has taken place over the past few years as the United States struggled to recover from a devastating recession and as Congress struggled repeatedly to scrape together the dollars to prop up a $50 billion federal surface transportation program. But America’s economic competitors are not following suit with conservative investment levels. China, for example, approved $113 billion worth of infrastructure projects in late 2014 in an effort to bolster its own slowing economic growth. A growing number of states also are recognizing the potential economic benefits of infrastructure investment, and those benefits appear likely to play a big role in
making the case for future investment at the federal and state levels in 2015 and beyond.

**Further Reading**

- “The economic impact of failing to invest in our infrastructure is massive.” [238] American Society of Civil Engineers.
- “Salt Lake City: Inclusive planning, bipartisan support and ambitious investments are fueling economic prosperity.” [239] Transportation for America
- “Rough roads ahead: Studies show road/bridge conditions influence state’s economy—for good or bad: Two new studies show Oregon can invest in its roads and bridges now to protect economy vitality—or not invest and jeopardize our future.” [256] Oregon Department of Transportation, November 12, 2014.


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“Shuster: Transportation investment is tied to the nation’s economic competitiveness.” Progressive Railroading, August 29, 2013.


“Case Studies of Transportation Investment to Identify the Impacts on the Local and State Economy.” Minnesota Department of Transportation, January 2013.


“Failure to Act: The Economic Impact of Current Investment Trends in Surface Transportation Infrastructure.” American Society of Civil Engineers, 2011.


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