State transportation officials this week called on Congress to take action by September 30th to extend the 18.4 cents-per-gallon gas tax that funds federal highway and transit programs and to pass a long-term reauthorization of those programs. I also have items this week on the future of infrastructure finance, tolling, public transit, Smart Growth, a model for regional freight plans, Seattle’s new Big Dig and possible restructuring for the South Carolina Department of Transportation following a recent fiscal crisis.

State Transportation Officials Urge Congress to Take Action

At a news conference Tuesday, the president of the American Association of State Highway and Transportation Officials (AASHTO), Nevada Department of Transportation Director Susan Martinovich, joined officials of other state transportation departments attending the annual meeting of the Southeastern Association of State Highway and Transportation Officials (SASHTO) in Louisville, Kentucky.

“Congress must take action by September 30th, or the federal highway and transit programs that support thousands of jobs in every state will shut down,” Martinovich said.

More than 500,000 jobs and countless state and local transportation projects are at stake, officials said.

“The federal government provides about $42 billion for highways and $11 billion for transit to states annually,” Martinovich said. “Sustaining this investment is imperative. Should Congress decide to reduce the program by one-third as some have proposed, it would mean the cancellation of hundreds of job-creating projects that are essential to America’s economic recovery.”

SASHTO President and Kentucky Transportation Secretary Mike Hancock added: “Kentucky has $447 million in Federal-aid highway construction and repair projects ready for bidding over the next four months, so it’s imperative that Congress act to prevent the nation’s federal surface transportation program from expiring.”

But as I’ve blogged previously, even if Congress were in the most cooperative of moods, accomplishing both the gas tax extension and a new authorization bill prior to September 30th would be a tall order. When Congress returns from their August recess, they will have just 11 scheduled legislative days to take action.

What appears more likely to happen now is a temporary extension of both to allow the debate to continue over how to fund transportation going forward. Senate Environment and Public Works Committee Chairman Barbara Boxer said late last week she will offer a four-month extension proposing that Highway Trust Fund programs be continued at current levels and with no policy changes until the end of January. There is no word yet on whether the House would go along with such a plan. Boxer is also reportedly planning a September mark-up session for her committee’s proposed two-year transportation authorization bill, which differs considerably from the six-year
Future of Infrastructure Finance

There were a number of articles that came across my desk this week assessing the landscape of the debate over how to finance infrastructure going forward. Here are a few:

- **Suzy Khimm of The Washington Post** [7] writes about whether debt-financing (as Texas and California have done) or increased taxation is the better way to go to build infrastructure.
- **Greg Cohen**, President & CEO of the American Highway Users Alliance, argues against congestion pricing and in favor of “fixing bottlenecks and synchronizing traffic lights” in a USA Today op-ed [8].
- **Dan Vock of Stateline** reports [9] on a test of a vehicle miles traveled (VMT) charging system involving trucking companies in New York state.
- **Danielle Kurtzleben of U.S. News & World Report** [13] ponders whether infrastructure spending can be the answer to America’s jobs problem.
- Ron Klain, a former Chief of Staff to Vice President Joe Biden, argues that [14] a movement to end the federal gas tax and allow states to take over federal highway work is “misguided.”
- **The (Central Pennsylvania) Patriot News** [15] editorialized this week in favor of a $15 fee to take a driver’s license test, as proposed recently by a funding advisory commission established by Gov. Tom Corbett. The commission projected such a fee could raise $1.6 million to help the state address a growing backlog of road, bridge and highway reconstruction projects.
- **The Northwest Indiana Times** [16] reported this week [16] on the work of a legislative committee studying how to fund infrastructure in Indiana going forward. As I’ve blogged before [17], a 2006 lease of the Indiana Toll Road provided the state with $3.8 billion to spend on road construction as part of Gov. Mitch Daniels’ Major Moves program. But nearly all of that money will be spent by 2014 and with the outlook for federal transportation dollars uncertain at best, the committee is charged with coming up with next generation infrastructure finance solutions for the post-Major Moves era. The Indiana panel is chaired by Rep. Ed Soliday, who I took part in a forum with at the CSG Midwest Annual Meeting earlier this summer in Indianapolis (look for my summary of that session in the upcoming issue of Stateline Midwest [18]). At that meeting, Soliday described how he sees the five-year mission of his committee: “(This year) we’re asking the state and the counties and the municipalities to tell us: how big is the problem? We’re asking them three questions: where are we now, where should we be now, where will we be in five years, where should we be in five years, and then stretch your imagination, where should we be in 2035 to meet demand … Year two we hope to come up with some creative suggestions how as a team counties and cities and the state can work together—and we’ll have a little better idea of where the feds are going. Hopefully they’ll get a reauthorization bill through by then. But we’ll come up to the finance folks (and say) “here are some alternatives and here is how we can all be involved in solutions …” The third year we hope to come back and say “well, did we get anything past those guys in appropriations or did we come up empty-handed.””
- A new Transportation Research Board report looks at how policymakers can assess the “**Equity of Evolving Transportation Finance Mechanisms**” [19] such as road pricing and public-private partnerships.
- A former New York City traffic commissioner says in an essay for The Engineering News-Record [20] that limited availability of funding will mean public works officials will need to start
performing “infrastructure triage.”

**Tolling in the News**

There were also a number of items regarding tolling this week, including:

- The President & CEO of the American Trucking Associations, former Kansas Gov. Bill Graves, this week asked the governors of New York and New Jersey to reconsider a toll hike the Port Authority of New York and New Jersey recently approved, *the Journal of Commerce reported* [21]. “We urge you to veto this proposal, which will not only devastate trucking companies who serve the New York City area, but will also increase the cost of doing business in a region already regarded as among the most expensive in the nation,” Graves said in a letter to the governors.
- **Tollroads News has a piece** [22] this week about a new proposal to toll the interstates in order to finance their improvement.
- A recent survey says U.S. Transportation Secretary Ray LaHood and House Transportation & Infrastructure Committee Chairman John Mica are out of touch with public opinion with regards to tolling existing interstates, *Tollroads News reports* [23].
- Connecticut residents are reacting [24] to a plan to toll I-95 in Rhode Island.

**Public Transit**

- *The Arizona Republic reported* [25] this week on how the uncertainty about federal transportation spending could impact Arizona’s plans for transit, including a light-rail extension in Mesa and a streetcar in Tempe.
- A new study by the Metropolitan Policy Program at the Brookings Institution [26] found that 7.5 million households in the nation’s largest metro areas don’t have access to a private automobile and more than half a million zero-vehicle households in those areas lack access to transit.
- *The Architect’s Newspaper* [27] has a report [27] on recently completed or in the works transit-oriented development projects in Southern California and the Bay Area. See also my *Capitol Research brief on Transit-Oriented Development* [28] from earlier this year.
- *The Transport Politic blog* [29] looks at a recently completed light rail line in Norfolk, Virginia and how its cost compares to other similar projects.
- China plans to invest $199 billion to build subways and light rail lines by 2015 to ease congestion and spur urban development, *Reuters reports* [30]

**Land Use, Sprawl and Smart Growth**

- A 50-year growth plan for Portland, Oregon and the surrounding region was approved this week by the state Land Conservation and Development Commission. It designates more than 266,000 acres as “rural reserves,” which will remain as farms, forests or natural areas until 2060. More than 28,000 acres are designated as “urban reserves,” which will be considered first when the urban growth boundary is expanded to make room for new residential, commercial and industrial developments, *The Oregonian* [31] newspaper reports [31].
- Maryland Gov. Martin O’Malley announced this week that residents in his state will have a 60-day period to review a new statewide development plan aimed at reducing sprawl. PlanMaryland, as it’s called, is the result of more than three years of work between the Maryland Department of Planning, state agencies and local governments. It’s hoped the plan will improve coordination between state agencies and local government to help the state better accommodate a projected 1 million additional residents during the next 25 years, *the Associated Press reported* [32].

**Freight Plans Help Chart Economic Future**
AASHTO Executive Director John Horsley recently touted the importance of developing regional freight plans in helping states chart a course toward economic expansion and job creation.

“A multimodal freight plan will help governors and legislators understand the revenues needed to build a 21st century transportation system that the Midwest’s economic future depends on,” he told the Mid-Continent Transportation Research Symposium in Iowa last week. “Now that the nation has gotten past the debt-ceiling debate, the real focus needs to be on economic recovery, jobs, an export strategy, freight plans, and infrastructure improvements to assure U.S. competitiveness.”

Horsley pointed to a freight plan issued earlier this month by the Ohio-Kentucky-Indiana Regional Council of Governments as a potential model for other regions seeking to assess their freight transportation needs.

The Federal Highway Administration also recently issued a “Statewide Freight Plan Template.”

Seattle’s Own “Big Dig?”

One week after Seattle voters gave the go-ahead for a project that will replace the State Route 99 viaduct through downtown Seattle with a $2 billion tunnel (see my blog post from last week), the Federal Highway Administration approved plans for the project this week, ending a 10-year environmental review. The tunnel is expected to open in 2015. The New York Times recently looked at what the tunnel project may bring to the city and why some fear it could become “Big Dig West.”

SCDOT Could Be Restructured

South Carolina Gov. Nikki Haley said this week that the state Department of Transportation needs to be restructured after the state was recently forced to request a $52 million cash advance from the federal government to pay nearly $15 million in late payments to contractors, The (Charleston) Post and Courier reported.

By:
Friday, August 26, 2011 at 04:24 PM
Tags:
Capitol Comments
Policy Area›Transportation›Administration and Finance›Alternative Funding Sources
Policy Area›Transportation›Administration and Finance›Authorization
Policy Area›Transportation›Administration and Finance›Congestion Pricing
Policy Area›Transportation›Administration and Finance›Debt Financing
Policy Area›Transportation›Administration and Finance›Fuel Taxes
Policy Area›Transportation›Administration and Finance›Public-Private Partnerships
Policy Area›Transportation›Administration and Finance›Tolls
Policy Area›Transportation›Cargo and Freight›Cost and Financing
Policy Area›Transportation›Cargo and Freight›Mobility and Access
Policy Area›Transportation›Environmental Concerns›Fuel Economy
Policy Area›Transportation›Highways and Bridges›Cost and Financing
Policy Area›Transportation›Passenger Rail›Cost and Financing
Policy Area›Transportation›Public Transportation›Cost and Financing
Policy Area›Transportation›Transportation Planning›Smart Growth
Policy Area›Transportation›Transportation Planning›Sprawl