

CSG National Leadership Conference

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Report on activities of the CSG Transportation Policy Task Force
Delivered to the CSG Executive Committee by Rep. Alice Hausman, Co-Chair
May 20, 2012

[REP. HAUSMAN]: Thank you Mr. Chairman. The Transportation Policy Task Force met Friday morning and heard from five informative speakers.

We got a perspective on the history and future of the federal-state relationship on transportation, heard about the significant infrastructure challenges faced by the state of California, learned about what the state has planned for high-speed rail, discovered what infrastructure investment means to a company like UPS and learned about a program that is helping non-profit organizations achieve their goals by tapping Facebook support to win cars.

Dr. Brian Taylor of UCLA told us why the federal/state transportation partnership is crumbling and why an increasing role for states, cities and regions in addressing surface transportation problems is the most likely outcome. Taylor said states have four options to meet their infrastructure needs, all of which have significant pros and cons: raising fuel taxes, increasing subsidies including local option sales taxes, financing projects through bonds, and tolling and other direct user fees. His final message to us, however, was that “Doing nothing may be the worst option of all.”

We also heard from Bert Sandman from the organization Transportation California who told us that California’s unfunded transportation needs are nearly \$300 billion over the next decade. Fifty-eight percent of California’s roadways require maintenance and 66 percent of the state’s major urban highways are congested. Sandman’s group is proposing a

new vehicle license fee that could help the state meet some of its unmet needs.

High-speed rail appears to be moving forward in California, as we heard from Michael Gillam of the global consulting firm Parsons Brinckerhoff. Phase one of the project would go from San Francisco to Anaheim with extensions to Sacramento and San Diego planned for Phase Two. A revised business plan has recently been devised that Gillam said will use existing rail systems to best advantage, allow earlier benefits, and at a cost that is \$30 billion less than the previous plan. The California legislature is currently considering the request for appropriation of two-point-seven billion dollars of general obligation bonds through the 2012-13 budget process.

Pat Thomas of UPS also joined us. UPS has more than 73,000 vehicles on the road every day, travels two-point-nine billion miles annually, and runs the ninth largest airline. A five-minute delay can translate to a \$103 million annual loss for the company. That's one reason why political gridlock in Washington, the insolvency of the Highway Trust Fund, diversion of state highway funds to other budget priorities and other developments have caused concern for UPS. Thomas also told us about the efforts of UPS to add more alternative fuel vehicles to their fleet. That has long been a focus for the company. They began using electric vehicles in the 1930s.

Finally, in our Associates in Action spotlight, we heard from Michael Rouse of Toyota. He told us about the company's "100 Cars for Good" program, which allows Facebook users to vote for non-profit companies to win cars.

That is the report from the Transportation Policy Task Force. Thank you Mr. Chairman.