



The Transportation Development Association of Wisconsin is a statewide nonprofit organization that advocates building and maintaining an efficient, reliable and interconnected transportation system that addresses our state's needs for safe mobility and economic growth.

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IN THIS ISSUE

<i>TDA Sponsors Forum on Transportation in SE Wisconsin</i>	1	<i>Wisconsin Budget Numbers Down</i>	6
<i>Executive Perspective</i>	2	<i>Federal Financial Picture Gloomy</i>	6
<i>Obama Administration Releases 2011 Budget</i>	3	<i>USDOT Released Report on Condition of Transportation System</i>	7
<i>Jobs Bill Update</i>	4	<i>Interesting News Coverage</i>	8
<i>Activity on RTAs Heats UP</i>	4	<i>Transportation in the News</i>	9
<i>Wisconsin Awarded Millions for High-Speed Rail</i>	5	<i>Association Notes</i>	10

If you would like to receive this publication by email, please contact the TDA office at (608) 256-7044 or general@tdawisconsin.org.

TDA Sponsors Forum on Transportation in SE Wisconsin

On February 4th, TDA sponsored along with WisPolitics, the Metropolitan Milwaukee Association of Commerce (MMAC) and the Medical College of Wisconsin a forum about the future of transportation in Southeast Wisconsin, including the Zoo Interchange. The event took place at the Medical College of Wisconsin, which is situated right off of the interchange.

About 100 people gathered for the breakfast and to hear from the panelists. The forum's keynote speaker was former Wisconsin Department of Transportation Secretary Tom Carlsen. Carlsen set the stage for the discussion by talking about the need to rebuild the Zoo

Interchange and also to find adequate funding for transportation throughout the state. Carlsen made some headlines in the newspapers by stating that some type of open-road tolling is probably inevitable.

Ryan Luck from WisDOT described how the department is currently working with Milwaukee Constructors LLC – a consortium made up of Edward Kraemer & Sons, Inc., Lunda Construction; and Zenith Tech, Inc. – to temporarily replace three of the bridges on the Zoo Interchange prior to the interchange's reconstruction. The rest of the panel included

Forum continued on page 4

Executive Perspective

By Craig Thompson, TDA Executive Director

High-Speed Rail: One Part of the System

The announcement from the federal government that Wisconsin will be receiving \$823 million to update some of the existing rail line between Milwaukee and Chicago and make high-speed rail from Milwaukee to Madison a reality has generated a lot of excitement. And it should.

This exciting news needs to be viewed in context, however. High-speed rail in and of itself will not transform Wisconsin's transportation system. It can be a significant piece to the puzzle, but not if we lose sight of all of the other pieces in that puzzle.

Now that Wisconsin is no longer vying for the federal funds, we need to shift gears from being cheerleaders for the project to taking a sober assessment of what it will take for high-speed rail to be successful in Wisconsin and where it fits in with the rest of the network.

One of the most obvious concerns about how these rail lines will fit in is looking at what type of connections people will have once they get off the train in Milwaukee or Madison. Neither of these cities is as dense as a Chicago or New York. Walking everywhere you want to go will most likely not be an option. This will necessitate transit options to make it an enjoyable experience to get on the train in Chicago and get off in Madison, for example, to explore what the city has to offer.

We need to examine what the price point will be to make the train successful. Finding the right level for fares that will ensure maximum usage will be important. Right now the estimate from WisDOT is that a round trip fare between Madison and Milwaukee will be somewhere between \$40 and \$60. The trick will be finding the appropriate level of fares that ensures ridership while keeping the subsidy needed at a manageable level. How we fund the subsidy is a

topic that needs to be vetted as well.

The other thing to keep in mind is that no matter how successful this train may be, and hopefully it will be wildly successful, it will not alleviate the tremendous needs we have on our aging road network where well over 90% of people will still travel. Not to mention that high-speed rail has no impact on freight which is projected to explode in the next several decades.

With a Transportation Projects Commission that hasn't even met since 2002 to enumerate a Major Highway project or initiate a study for potential new Major projects due to lack of funding – along with local roads across the state badly in need of repair or replacement – and an interstate system that we are in the process of replacing – we need to figure out our funding situation soon or no type of new trains will save us.

It is a time to celebrate our successful bid for this federal project. Over \$800 million is significant money that allows us to move forward on a bold new project for Wisconsin. The study to link the system on from Madison to Minneapolis and the anticipation of the additional federal money provides tremendous promise as well. In order for Wisconsin to realize its potential, we need to inject some of the same excitement into improving the entire transportation network within which high-speed rail can thrive.

Obama Administration Releases 2011 Budget

The administration's budget includes \$78.8 billion in spending for the U.S. Department of Transportation, an increase of 2.4 percent over the comparable amount for last year. While some accounts were frozen at or near 2010 levels, the proposed increase is better than it could have been given the president's proposed freeze on "domestic non-security discretionary" programs for fiscal years 2011, 2012 and 2013.

According to Transportation Weekly, the Office of Management and Budget (OMB) includes in the "freeze" both new discretionary appropriations and the obligation limitations on contract authority from the Highway Trust Fund (HTF) and Airway Trust Fund (ATF). This freeze may be another hurdle to large funding increases for highways and transit programs in the next surface transportation reauthorization, especially if no real new revenues are enacted to stabilize the trust fund.

The summary by mode follows:

Highways: The budget proposes to increase obligation limitation on the federal-aid highways program by .6 percent to \$41.363 billion. However, the administration doesn't propose to continue the \$650 million general fund appropriation from fiscal year 2010.

The administration continues to support an extension of surface transportation programs through March 2011 and a \$20 billion infusion of general fund revenues to cover program expenditures through that date.

Transit: The Federal Transit Administration would receive \$10.8 billion, an increase of .6 percent over last year. The administration proposes reducing the largest account (Formula and Bus Grants) from last year's \$8.343 billion to \$8.271 billion and renaming the program Transit Formula Grants. The funding would be divided with \$4.634 billion for urbanized areas, \$547.8

million for non-urbanized areas, \$230 million for grants for transportation for the elderly and disabled and \$2.854 billion set aside for "Bus and Rail state of Good Repair", consolidating the fixed guideway modernization and bus programs. Capital Investment Grants (a.k.a. new starts) would receive \$1.82 billion, down from \$2.0 billion in fiscal year 2010.

Aviation: The administration proposes \$16.468 billion for the Federal Aviation Administration (FAA), a 3 percent increase over the prior year. The increase in FAA funding is driven by a 4.7 percent increase in operations. The Facilities and Equipment account would receive a 1.2 percent increase over the prior year, while the Airport Improvement Account is frozen at \$3.515 billion, again. The budget doesn't propose new aviation fees to replace the existing aviation excise taxes.

Rail: The budget proposes a total of \$2.83 billion for the Federal Railroad Administration. The high-speed and intercity rail programs would receive \$1 billion, down from \$2.5 billion last year. Amtrak would get a 3.4 percent increase with operating grants frozen at prior year levels and capital grants and the Inspector General getting 5.0 and 15.8 percent, respectively.

The budget proposal also includes a new railroad safety account with \$49.5 million, a 6.3 percent increase for Railroad R&D, elimination of the Rail Line Relocation and Improvement Program, no 2011 appropriation for grants to railroads to implement positive train control technology and an 11.1 percent cut in the Surface Transportation Board budget.

Surface Grants: The administration doesn't propose to continue the multimodal grant program begun in the stimulus bill and continued in the 2010 appropriations bill as the NII program. Instead the administration includes \$4 billion

Jobs Bill Update

The Senate is expected to take up the jobs bill the second week of February and is likely to split the job creation package into several measures. While details have not been released, the first bill will probably focus on tax credits for companies that create new jobs plus an extension of unemployment and COBRA health benefits. New funding for infrastructure is not predicted to be included in this bill. However, reports say an extension of the surface transportation programs from February 28th to December 31st, a \$20 billion transfer from the general fund to shore up the Highway Trust Fund and more subsidies for Build America Bonds are likely to be included in the first round of legislation.

The second Senate jobs bill will presumably provide additional funding for highways and transit. Again, no details have been released, but a leaked Senate outline shows approximately \$25 billion set aside for transportation infrastructure job-creation, less than the \$37.3 billion in the House package. According to the American Association of State Highway and Transportation Officials (AASHTO), the Senate is considering allocating \$14 billion for highways and bridges, a little more than half of the House amount.

Forum continued from page 1

Ken Yunker, Southeastern Wisconsin Regional Planning Commission (SEWRPC); Dan Devine, Mayor of West Allis; Craig Thompson, TDA and Gretchen Schuldt, Citizens Allied for Sane Highways (SANE).

The panel discussed issues ranging from the Zoo Interchange to a Regional Transit Authority for Southeast Wisconsin. Visit www.wisconsineye.org to watch the program.

Activity on RTAs Heats UP

The recently passed biennial budget included statutory language authorizing some areas of the state to create Regional Transit Authorities (RTAs) while leaving other areas without the authority. There has been a flurry of legislative activity in the past several weeks to expand that authority to other areas in the state or even, perhaps, the entire state.

On January 19th, Governor Doyle held a press conference at Bucyrus International in South Milwaukee announcing the introduction of new RTA legislation for Southeast Wisconsin. The Governor was joined by CEO's from Bucyrus, S.C. Johnson, AT&T Wisconsin, Roundys, Northwestern Mutual and Johnson Controls. These corporate leaders explained why an RTA is so important for their ability to retain and create jobs in the region. Senate Bill 511 (SB 511), introduced by Senators Lehman and Taylor and Representatives Grigsby and Barca has yet to be scheduled for a public hearing.

In addition to SB 511, Senate Bill 205 has been introduced as a result of the Legislative Council Study Committee on Transit chaired by Senator Judy Robson. SB 205 provides statutory authority for communities anywhere in the state to get together and form RTAs. The legislation would not adversely impact any of the RTAs that are already forming as a result of language in the budget bill. SB 205 had a hearing on Feb 4th in Madison. Visit www.wisconsineye.org to watch video of the hearing.

Also, there is a bill being circulated by Representative Penny Bernard Shaber and Senator Mike Ellis that would create an RTA in the Fox Valley.

The current legislative session ends at the end of April.

Wisconsin Awarded Millions for High-Speed Rail

Wisconsin will receive \$810 million for a high-speed rail line from Milwaukee-to-Madison as one of the recipients from an \$8 billion grant program funded by the American Recovery and Reinvestment Act (ARRA). President Obama and administration officials fanned out around the nation touting the grants.

“Through the Recovery Act, we are making the largest investment in infrastructure since the Interstate Highway System was created, putting Americans to work rebuilding our roads, bridges, and waterways for the future,” said President Obama. “That investment is how we can break ground across the country, putting people to work building high-speed rail lines, because there’s no reason why Europe or China should have the fastest trains when we can build them right here in America.”

In Wisconsin, Governor Doyle was joined by U.S. Housing and Urban Development Secretary Shaun Donovan and Milwaukee Mayor Tom Barrett to announce the state will receive a total of \$823 million for high-speed rail. Wisconsin’s \$823 million share includes \$810 million to cover the full cost of improving 80 miles of freight lines between Milwaukee and Madison to accommodate the high-speed trains. Another \$12 million will be spent on improvements to the corridor between Milwaukee and Chicago and the remaining \$1 million will be used to study the expanded rail service to the Twin Cities.

The intercity passenger rail service between Madison and Milwaukee is expected to begin by 2013 and will eventually reach speeds of up to 110 miles-per-hour (79 miles-per-hour to start) with stops in Brookfield, Oconomowoc, and Watertown. Round-trip fares at the start up of the service are expected to range from \$40 to \$60.

The majority of the dollars announced by the president will go toward developing new, large-

scale high-speed rail programs. This includes projects in Florida, which is receiving up to \$1.25 billion to develop a new high-speed rail corridor between Tampa and Orlando with trains running up to 168 miles per hour, and in California, which is receiving up to \$2.25 billion for its planned project to connect Los Angeles to San Francisco and points in between with trains running up to 220 miles per hour.

For further details on the major corridor projects, see the president’s press release at <http://www.whitehouse.gov/the-press-office/president-obama-vice-president-biden-announce-8-billion-high-speed-rail-projects-ac>

2011 Budget continued from page 3

within the Office of the Secretary for “grants and credit assistance for transportation and transportation-related infrastructure projects of national or regional significance...”

Maritime: The Maritime Administration receives a total of \$352 million in budget requests, down from \$363 million in 2010. This assumes Congress will kill the Assistance for Small Shipyards program and reducing title XI shipbuilding loans down to historical levels.

Coast Guard: The budget request asks for \$9.867 billion for the Coast Guard in 2011, a decrease of 2.7 percent from last year. Many accounts receive increases in 2011 as the decrease is mainly due to a 10 percent cut in Acquisition, Construction and Improvements.

Congressional response to the president’s proposed freeze has not been favorable. Congress will now develop its own budget resolution, which will serve as a guideline for appropriators as they craft fiscal year 2011 spending bills.

Wisconsin Budget Numbers Down

On January 27th, the Legislative Fiscal Bureau released its annual report to the legislature on the status of the state's general fund. Overall, the general fund balance is now projected to be \$55.7 million at the end of the biennium, which is \$219.5 million below the estimates projected in the biennial budget and \$9.3 million below the statutorily required balance. This decline is primarily driven by a decrease in expected tax collections due to the weak economy.

Despite dueling press releases that followed the announcement – with Republicans in the minority asserting the new estimates require a special session of the legislature and Democrats in the majority asserting that the new estimates do not necessitate a special session – it appears at this point that a special session of the legislature will not be required.

Governor Doyle has indicated that the administration intends to enact additional spending cuts in order to improve the status of the general fund. In the previously enacted budget, the legislature provided the governor with authority to enact \$200 million of spending cuts. How the governor plans to spread these cuts is unknown at this point. It is also unknown if these cuts will impact the segregated transportation fund.

Federal Financial Picture Gloomy

The Congressional Budget Office (CBO) has issued its annual budget and economic forecast for the next fiscal year and for the next ten years. The CBO projects that if current laws and policies remained unchanged, the federal budget would show a deficit of about \$1.3 trillion for fiscal year 2010. At 9.2 percent of gross domestic product (GDP), that deficit would be slightly smaller than the shortfall of 9.9 percent of GDP (\$1.4 trillion) posted in 2009, which was the largest as a share of GDP since the end of World War II. Economists generally consider annual deficits in excess of 3 percent of GDP unsustainable.

The agency also released updated financial projections for the Highway Trust Fund (HTF). The projections indicate that the Highway Account (HA) of the trust fund will likely run out of money several weeks before the end of the fiscal year on September 30th, necessitating an additional infusion from the general fund. The Mass Transit Account (MTA) is expected to stay solvent until the end of fiscal year 2011, when it too goes into perpetual deficits. In total, the CBO projections show that the HTF will need \$65 billion in additional revenue through 2015 in order to fund six-year surface transportation reauthorization legislation at enacted 2010 levels plus small annual inflationary increases.

In order to reduce the deficit, President Obama has proposed a freeze on “domestic non-security discretionary” programs for fiscal years 2011, 2012 and 2013. Federal highway, transit, and airport programs are a unique blend of mandatory and discretionary spending, and how the freeze might apply to transportation programs was unclear. The 2011 budget for the U.S. Department of Transportation (USDOT) recently submitted by the president holds some accounts frozen at or near 2010 levels but the gross budgetary authority for USDOT is 2.4 percent more than the comparable amount for 2010.

USDOT Releases Report on Condition of Transportation System

The United States Department of Transportation (USDOT) has released *2008 Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance*. The report is intended to provide Congress with an objective appraisal of the physical condition and operational performance of nation's surface transportation system and also the projected future state of this infrastructure under a set of alternative future investment scenarios.

The highlights of the report, which was prepared using data through 2006, include:

- In nominal dollar terms, combined investment by all levels of government in highway and bridge infrastructure has increased sharply since TEA-21 was enacted. However, steep increases in highway construction costs have eroded the purchasing power of this investment; in constant dollar terms, capital spending fell by 4.4 percent over this period.
- The portion of capital investment going for "system rehabilitation" (the resurfacing, rehabilitation, or reconstruction of existing highway lanes and bridges) increased from 47.6 percent in 1997 to 51.3 percent in 2006, while the percentage of capital spending directed towards "system expansion" (the construction of new highways and bridges and lane additions to existing highways) decreased from 44.4 percent to 38.2 percent over this period. The portion used for "system enhancement" (including safety enhancements, traffic control facilities, and environmental enhancements) increased from 8.0 percent to 10.5 percent.
- The shift in dollars to rehabilitation has resulted in improved condition of the nation's highway (NHS) and bridge system. The percentage of NHS vehicle miles

traveled (VMT) on pavements with "good" ride quality rose from 39 percent in 1997 to 57 percent in 2006. Looking at all arterials and collectors for which pavement condition data are collected reveals less favorable trends. While the percentage of all VMT on pavements with "good" ride quality rose from 39.4 percent in 1997 to 47.0 percent in 2006, the share of VMT on roads with "acceptable" ride quality fell from 86.4 percent to 86.0 percent. The percentage of pavements with acceptable ride quality has been growing in rural and small urban areas, urbanized areas have experienced declines.

- Despite improved conditions on many of the nation's roads and bridges, operational performance, as measured by congestion, has been on the decline. From 1997 to 2005, the estimated percentage of travel occurring under congested conditions rose from 24.9 percent to 28.7 percent. However, this statistic increased by only 0.1 percentage point between 2004 and 2005. Similarly, the average length of congested conditions increased from 5.9 hours per day in 1997 to 6.4 hours per day, but has remained constant at that level since 2002.
- Simply maintaining existing conditions and performance on the nation's roads and bridges with a fixed rate user system would require an annual spending increase of 2.72 percent in constant dollar terms, translating into an average annual investment level of \$105.6 billion from all levels of government (compared to \$78.7 billion currently) through 2026, stated in constant 2006 dollars. The report examines a number of scenarios utilizing both fixed and variable user fees (congestion pricing).

Interesting News Coverage

Conditions Report continued from page 7

USA Today February 4, 2010 – “Tight times put gravel on the road” http://www.usatoday.com/news/nation/2010-02-03-gravel-roads_N.htm

National Journal February 1, 2010 – “Is Obama spending the high-speed rail money wisely?” <http://transportation.nationaljournal.com/2010/02/is-obama-spending-the-highspee.php>

Time Magazine January 29, 2010 – “Can high-speed rail succeed in America?” <http://www.time.com/time/health/article/0%2C8599%2C1957575%2C00.html>

Dallas Transportation Blog January 29, 2010 – “Brown election to Senate could freeze highway spending, top highway advocate says” <http://transportationblog.dallasnews.com/archives/2010/01/brown-election-to-senate-could.html>

BizTimes.com January 25, 2010 – “Port of Milwaukee plan improvement for 2010” <http://www.biztimes.com/manufacturingweekly/2010/1/25/port-of-milwaukee-plans-improvements-for-2010>

The Daily Beast January 19, 2010 – “America’s Worst 75 Commutes”. Note: Milwaukee I-94 is rated #34. <http://www.thedailybeast.com/blogs-and-stories/2010-01-19/americas-75-worst-commutes/full/>

Arrive Magazine January/February 2010 – “The Right Track: A longtime Amtrak rider on why America will always need trains” by Vice President Joe Biden” <http://www.arrive-digital.com/arrive/20100102/?pg=38&pm=2&u1=friend>

- Record levels of federal investment in transit under TEA-21 were not only matched, but exceeded by the combined investments of state and local governments from 1997 through 2006. Total funding by federal, state, and local governments reached its highest level of \$30.9 billion in 2006, a 76.9 percent increase in current dollars from \$17.5 billion in 1997, equal to a 40.9 percent increase in constant dollar terms.
- Passenger miles traveled (PMT) on transit increased by 23.1 percent, from 40.2 billion in 1997 to 49.5 billion in 2006. PMT on nonrail transit (primarily buses) increased by 18.4 percent, from 19.0 billion in 1997 to 22.5 billion in 2006. PMT on rail increased by 28.0 percent, from 21.1 billion in 1997 to 27.0 billion in 2006.
- Transit assets have generally improved in condition over the period of time studied. Bus vehicle condition ratings increased from 2.94 in 1997 to 3.01 in 2006. However, it should be noted that average bus vehicle conditions have declined since 2004, with an average estimated condition of 3.08. (Note: scale used ranges from 1 to 5 to describe the condition of transit assets. A rating of 5, or “excellent,” indicates that the asset is in nearly new condition, while a rating of 1 indicates that the asset needs immediate repair.)
- The average annual cost to maintain transit asset conditions and operating performance is estimated to be \$15.1 billion, compared with the \$12.8 billion in actual 2006 capital spending. Asset expansion accounts for 28 percent of these projected funding requirements. This estimated \$15.1 billion investment is based

Conditions Report continued on page 9

Transportation in the News

Georgia – Governor Sonny Perdue supports letting metropolitan regions vote on creating a regional sales tax to fund additional transportation investment. Perdue proposes to create a dozen regions. Each region would vote in 2012 on the one-cent sales tax and the list of projects to be funded by the tax.

New Jersey – Despite Governor-elect Chris Christie's opposition to raising the gas tax, his advisors recommend taking the idea to the voters in a referendum. New Jersey has the third-lowest gas tax in the United States, and the state's transportation trust fund is expected to run out of money in mid-2011. The advisors also recommend the state seek approval from the federal government to toll additional interstate highways.

Ohio – Ohio is looking for creative ways to fund operating costs for new passenger train service connecting Cleveland and Cincinnati – everything from advertising, naming rights and franchise fees for Wi-Fi. Ohio transportation officials are trying to avoid using the state's shrinking general fund revenues to cover the estimated \$17 million a year operating subsidy. Gas tax revenues cannot be used as the state's constitution requires that revenue from the state's 28-cent-per-gallon gas tax be used only on highway projects.

As part of the high-speed rail grants recently announced by President Obama, Ohio will receive \$400 million in federal funds to launch 79 mile-per-hour rail service between Cleveland, Columbus, Dayton and Cincinnati.

Texas – The Texas Transportation Commission has ordered a study on implementing a tax on motorists for every mile traveled (VMT). The study will give lawmakers information on options ahead on the next session in 2011. The highway fund is expected to run dry of money for new construction by 2012. Texas last raised its gas tax in 1991.

Updated STB Study – According to an updated Surface Transportation Board (STB) study, recent railroad rate hikes are not a market power play. Although rates have increased steadily since 2004, the report concludes that the increases were driven by fluctuating fuel prices and other costs and not by a "greater exercise of railroad market power over captive shippers." This is an update of a report released in November 2008 and includes data through 2008 after shippers expressed concerns that the original report's study period ended in 2006 before years of "rapidly escalating rates."

Conditions Report continued from page 8

on maintaining transit asset conditions and on expanding service to meet an increase in ridership consistent with metropolitan planning organization (MPO) estimates of 1.5 percent per year.

Visit <http://www.fhwa.dot.gov/policy/2008cpr/index.htm> to view the entire report.

Association Notes

Calendar of Events

Wisconsin Concrete Pavement Association's Annual Concrete Pavement Workshop – February 17-18, 2010 at the Radisson Paper Valley in Appleton. Visit <http://www.wisconcrete.org/news.html> for more information and to register.

Transportation Research Industry Partners Workshop - Thursday, March 4th from 10 a.m. to 3 p.m. at Traffic & Parking Control Co. - 5100 W. Brown Deer Road, Brown Deer, WI. RSVP by February 15th to Christine Merritt: chrism@tapconet.com or (262) 649-5108. Guide the creation of transportation research and development partnerships in Southeastern Wisconsin. Sponsored/Hosted by the Great Lakes Transportation Enterprise Institute.

TDA Fly-in to Washington, D.C. – March 10th-11th.

If you know of an upcoming event that would be of interest to TDA members, please forward information to the TDA office, general@tdawisconsin.org.

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