



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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Second SAFETEA-LU Commission Weighs In

Congress created as part of the last surface transportation reauthorization (SAFETEA-LU) two commissions to study the future of transportation. The second of the two commissions released its final report, *Paying Our Way: A New Framework for Transportation Finance*. After nearly two years of study and deliberation, the National Surface Transportation Infrastructure Financing Commission offered its plan to reform the nation's approach to transportation infrastructure funding. The plan has many similarities to the funding recommendations included in *Transportation for Tomorrow*, the report issued in December 2007 by the National Surface Transportation Policy and Revenue Study Commission, the other study commission.

The Financing Commission offered recommendations for addressing the significant

and widening gap between federal investment and transportation investment needs, including the following:

Immediate Funding Crisis

- Enact a 10 cent increase in the federal gas tax, a 15 cent increase in the federal diesel tax and index the new rates to inflation. These adjustments approximate the amount required to recapture the purchasing power lost to inflation since the last increase in the federal gas tax in 1993.
- Double the Heavy Vehicle Use Tax (HVUT) and index the HVUT and the excise tax on truck tires to inflation. The HVUT was last increased in 1983.

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Executive Perspective

By Craig Thompson, TDA Executive Director

Governor Doyle Calls for Debate on Transportation Funding

On February 18th, Governor Doyle sat down with the Milwaukee Journal Sentinel editorial board one day after delivering his biennial budget address. Among the items the Governor discussed was transportation infrastructure.

The statement he made set off a chain reaction of press coverage across the state about whether the Governor had “changed his mind” on tolling in Wisconsin. After his statements were mischaracterized to insinuate that Wisconsin was moving ahead with tolling, the Governor had to reiterate his initial statement that we need to have a three-to-five year debate on how we fund transportation in Wisconsin and that toll roads should not be exempt from that debate. Here is an excerpt from the original Journal Sentinel interview:

But Doyle went on to say that state officials must open a three- to five-year debate on transportation funding. The state’s transportation infrastructure needs are “enormously more expensive” than current revenue streams can cover, he said.

The state’s transportation fund now depends largely on the gas tax, and to a lesser extent on vehicle registration and driver’s license fees. But a combination of high gas prices and the recession has cut driving, and more emphasis on alternative fuels will continue to depress gas tax revenues, Doyle said. The state raised the vehicle registration fee from \$55 to \$75 last year but can’t do that every year, he said.

Still, Doyle said he wanted to preserve the principle of highway users paying for highways, and tolls would be one way to do that.

While toll roads grabbed all of the headlines, the real take away here is that the Governor is plainly stating that something has to give. To his credit, Governor Doyle sent a wake up call to everyone in this state that we either have a real life adult conversation about how we are going to pay for our transportation infrastructure or watch it fail.

The stimulus money and the revenues raised through the proposed oil company assessment may keep us going for the next two years, but after that there is a cliff the size of the Grand Canyon if we don’t reach some consensus on how to pay for our transportation network moving forward.

In the last six months of 2008 gas tax revenues declined by \$26 million according the Department of Revenue. So, now not only have we abandoned indexing the gas tax to inflation but we are looking at possibly generating less money each year as we go forward. And Wisconsin relies more heavily on gas tax revenues than just about any state in the nation.

That sounds like the definition of unsustainable.

2009 Omnibus Appropriation Clears House

The current continuing resolution, which provides stop gap funding at 2008 levels for federal agencies, is set to expire on March 6th. The House passed a \$410 billion 2009 omnibus appropriation bill (H.R. 1105) to finish up the appropriations process for fiscal year 2009. The Senate is currently deliberating on the bill.

The House bill provides the following funding for transportation programs:

Highways – This bill provides \$40.7 billion in primary obligation limitation for the federal highway aid program. This is \$484 million more than last year, excluding the extra \$1 billion in obligation limitation for emergency bridge repairs in 2008. The bill also prevents a \$1 billion cut in highway obligation limitation that would have otherwise occurred under revenue aligned budget authority (RABA). In total, gross new spending authority for the Federal Highway Administration is \$41.8 billion, 1% below last year.

Transit – Under this bill, transit would receive \$10.2 billion in spending authority. This is \$740 million more than last year but less than the amount guaranteed by SAFETEA-LU. The difference is primarily due to a \$100 million reduction in the formula and bus grant program. The bill also appropriates \$1.8 billion for new starts, \$240 million more than last year.

Aviation – This legislation funds the Federal Aviation Administration at \$15.5 billion, a 3.7% increase over last year. Funding for the Airport Improvement Program is \$3.5 billion, roughly the same amount as every year since 2006.

Amtrak – Amtrak receives \$1.49 billion in the Omnibus bill, including \$940 million for capital and \$550 million for operating subsidies.

Despite President Obama's pledge to root out earmarks, this legislation contains hundreds of transportation earmarks totaling hundreds of millions of dollars. The Obama Administration

has waived its earmark prohibition for this piece of legislation in order to clear out this outstanding item from the last Congress.

If a bill is not ready for the president's signature by March 6th, another short-term continuing resolution will be necessary to keep discretionary parts of the federal government from shutting down.

Obama's First Budget

President Obama has released his 134 page proposed federal budget "framework". The actual language of the 2010 budget will not be available until sometime in April. The items provided in the framework, however, represent some substantial shifts in transportation policy.

The budget proposes to reclassify both transportation programs budget authority and outlays as discretionary. Currently, only appropriated budget authority for DOT is counted as part of the discretionary budget. For example, of the \$70.7 billion appropriated for the U.S. Department of Transportation in the FY 2009 omnibus appropriations bill passed by the House on February 25th, only \$13.5 billion of that is subject to discretionary caps.

The proposal appears to significantly alter the traditional budgetary "firewalls" and multi-year contract authority as well.

Congressman Oberstar, Chair of the House Transportation and Infrastructure Committee circulated a letter to the president and the leaders of the House and Senate Budget Committees that was highly critical of these

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Administration Says No to VMT

U.S. Transportation Secretary Ray LaHood recently stated, during an interview with the Associated Press, that the U.S. should consider a mileage tax instead of a fuel tax to fund highway infrastructure. This statement was in keeping with the recommendations of both commissions charged by Congress with examining the nation's transportation funding options.

Following the LaHood interview, White House spokesman Robert Gibbs shot down the statement by proclaiming that it was "not administration policy".

This terse statement from Mr. Gibbs drew an equally terse response from some members of congress. At an American Association of State Highway and Transportation Officials (AASHTO) meeting, Representative Oberstar stated, "I have news for you. Transportation policy isn't going to be written in the press room of the White House."

Representative Mica, the senior Republican on the transportation committee responded by saying, "It was almost unfair to Ray, and he's quite correct that it's an option."

Both Oberstar and Mica said that the mileage tax will be one of the options that Congress will consider as it puts together its upcoming surface transportation spending program.

Wisconsin Ballast Water Permit Proposed

The Department of Natural Resources has announced that a proposed state ballast water permit is now open for public comment. The proposed permit would require commercial ocean-going ships and those transporting cargo between Great Lakes ports to take steps to reduce aquatic invasive species in the ballast water they release into Wisconsin waters.

Ocean-going ships would have to meet the following strict standards for the number of living

House Introduces Aviation Reauthorization

Democratic leaders have introduced a new aviation reauthorization bill (H.R. 915) which is similar to the bill passed by the House last year. H.R. 915 would authorize \$70.4 billion in appropriations over the four-year period including fiscal years 2009-2011. The total proposed funding includes:

- \$16.2 billion for the Airport Improvement Program ("AIP");
- \$13.4 billion for FAA Facilities & Equipment ("F&E");
- \$38.9 billion for FAA Operations; and
- \$1.35 billion for Research, Engineering, and Development ("RE&D").

House Republicans have been critical of Democratic leaders for putting forth an authorization proposal so similar to the one that was unable to gain Senate approval in the last session.

The Federal Aviation Administration (FAA) taxing authority and programs are currently operating under a short-term extension which expires on March 31, 2009. Congress must complete an authorization bill by that time or extend the temporary authority again. The last FAA reauthorization expired September 30, 2007.

organisms allowed in the ballast water they discharge in Wisconsin ports:

- Beginning in 2012, assuming commercially viable technology is available, existing ocean-going ships would have to meet a standard for living organisms in the ballast water they discharge that is 100 times more protective than the standard proposed by the International Maritime Organization. New York State uses the same standard.

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Transportation in the News

APTA Report – The American Public Transportation Association (APTA) estimates that an investment of \$134.2 billion in capital costs and \$102.3 billion in operating costs per year (in 2008 dollars) is needed to fundamentally change how Americans commute by 2030. This represents 10 times the current annual investment in bus and rail. In a recently issued report, *Changing the Way America Moves: Creating a more Robust Economy, a Smaller Carbon Footprint & Energy Independence*, APTA proposes a plan to grow the use of public transportation over the next 20 years to achieve a public transportation market share on par with the European Union.

Visit www.apta.com for more information.

HNTB Survey – In a national survey conducted by HNTB, an employee-owned infrastructure firm, more than 81% of Americans agree making sacrifices to pay for infrastructure improvements now will make for a more prosperous future for the next generation. Almost seven in ten people (68%) are willing to pay more taxes to support highway and bridge maintenance and new construction – on average \$22 a month to reduce the time they spend in traffic by 20%.

However, there is no consensus on how the money should be raised. Nearly half of Americans think the gas tax is sufficient to maintain the nation's roads and bridges. When given funding options including increased gas taxes, tolling, congestion pricing and other new user fees, only high-occupancy vehicle lanes (42%) and toll roads and bridges managed by local or state governments (37%) received more support than "none of the above" (20 %).

Visit www.hntb.com to view the survey results.

Massachusetts – Massachusetts businessmen recently endorsed a 25 cent increase in the gas tax. This is even more ambitious than the 19

cents proposed by the state's governor, Deval Patrick. The 25 cent increase would generate \$650 million a year in new revenue for the state.

The business leaders say the current transportation system simply costs businesses and motorists too much for nothing to be done about the ongoing shortage of transportation funds.

The governor welcomed the announcement but many in the legislature did not. "This coalition is profoundly out of touch with the struggles of working men and women of our state," said Senator Steven A. Baddour, a Democrat who co-chairs the legislature's transportation committee.

Primary Seatbelt Law – More than a dozen states including Wisconsin are considering changing from secondary to primary seatbelt laws. Primary seatbelt laws allow police officers to pull over and ticket motorist solely for not wearing a seatbelt. Secondary laws permit an officer to ticket a motorist for not wearing a seatbelt only if the driver is pulled over for another violation.

States are rushing to enact these laws before federal incentive grants expire later this year. The federal government will issue grants through the National Highway Traffic Safety Administration to states that have enacted primary seatbelt laws by June 30th with an effective date no later than September 30th.

There are currently 26 states with primary seatbelt enforcement laws and another 23 with secondary laws. Only New Hampshire does not mandate seatbelt use for adults.

Interesting News Coverage

Governor Doyle on Tolling

Milwaukee Journal Sentinel February 19, 2009
– “Doyle open to toll roads” <http://www.jsonline.com/news/statepolitics/39787612.html>

Milwaukee Journal Sentinel February 19, 2009
– “Toll roads for future consideration, Doyle says” <http://www.jsonline.com/news/statepolitics/39866412.html>

Recent Stories on Invasive Species/ Ballast Water

Milwaukee Journal Sentinel February 25, 2009
– “EPA chief open to tougher policy on invasive species” <http://www.jsonline.com/news/milwaukee/40266007.html>

Milwaukee Journal Sentinel March 1, 2009 –
“Patchwork ballast rules emerging” <http://www.tdawisconsin.org/data/documents/MJSBallast030109.pdf>

Milwaukee Journal Sentinel Opinion March 2, 2009 – “Stop the invaders” <http://www.jsonline.com/news/opinion/40568537.html>

Transportation Finance

Wall Street Journal March 2, 2009 – “Tax the Streets: New Funding Ideas Are Needed for U.S. Roads and Highways” <http://online.wsj.com/article/SB123577395002297127.html>

TDA Welcomes Returning Member

Dodge County Highway Department

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- Facilitate non-federal investment in the short and medium term by expanding the ability of state and localities to impose tolls on the Interstate, primarily on new capacity but also on existing capacity in large metropolitan areas (of 1 million or more in population) for congestion relief.

Federal Funding in the Long Term

- Begin the transition to a new, more direct user charge system, such as vehicle miles traveled (VMT) as soon as possible with the intent to implement the new system by 2020.
- Ensure that the mileage based fees, once implemented, reflect the amount of the federal share of the nation’s transportation investment needs and index those fees to inflation.

The two commissions acknowledged the seriousness of the transportation funding crisis in the short term and recommended utilizing increases in the current mechanism, primarily the gas tax, for expediency. In the long term, however, current federal surface transportation funding, which relies on taxes imposed on motor fuels, is not sustainable and is likely to fail sooner than previously predicted. After reviewing many funding alternatives, both commissions recommended a transition to a federal funding system of VMT.

Visit <http://financecommission.dot.gov> to view the press release, executive summary and entire report.

Association Notes

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Calendar of Events

TDA Fly-in to Washington, D.C. – April 21st-22nd.

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.

Save these Dates

- TDA Drive-in – May 13th
- TDA Golf Outing – July 30th
- TDA Annual Meeting – October 1st

Visit the events page on the TDA website, www.tdawisconsin.org, for event details and any future changes in the schedule.

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changes citing the loss of transparency and the departure from the longstanding commitment that Highway and Aviation Trust Funds are used for their intended purposes. Congressman Petri and thirteen other Representatives signed on to that letter.

While it is hard to know for certain until the actual language is released, it appears that the proposal also looks to replace most aviation taxes with direct user fees starting in 2011. This is similar to the plan set forth by the Bush Administration.

In terms of funding, the proposal includes a total amount of discretionary budgetary resources for USDOT of \$72.5 billion in FY 2010. This would represent a 2.5% increase over the amount approved by the House for the FY 2009 omnibus appropriations bill.

Many more details will be available in April after the actual budget language is released.

- Beginning in 2013, assuming commercially viable technology is available, new ocean-going ships would be required to meet a standard that is 1,000 times more protective than the proposed international standards, and the same as California's.
- Commercial vessels that move only among Great Lakes ports, known as "lakers", would not have to meet a ballast discharge standard in this general permit, which would be effective through 2014. However, they would be required to immediately take steps to prevent spreading aquatic invasive species around the Great Lakes. These steps, or best management practices, are required upon coverage of the permit. A sediment management plan shall be maintained and conform to the U.S. Coast Guard standards.

The permit would be valid for five years.

TDA has long advocated for federal legislation establishing consistent national – rather than state – standards for the treatment of ship ballast water to prevent the introduction and spread of aquatic invasive species and a federal research program to develop ballast-water treatment technology. However, Congress has been slow to act. Please read the articles under Interesting News Coverage for the possible implications of a patchwork of state rules.

Public comments on the proposed permit will be accepted from Feb. 20, 2009, through March 23, 2009. A hearing on the general permit is set for 10 a.m., March 23 at the DNR Southeast Regional Headquarters Room 140, 2300 N. Dr. Martin Luther King Dr., Milwaukee.