



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>House & Senate Pass Budget Resolutions</i>	1	<i>President Signs Aviation Extension</i>	4
<i>Executive Perspective</i>	2	<i>Transit Ridership Remains High</i>	4
<i>Midwest Governors Make Reauthorization Recommendations</i>	3	<i>Just Say No</i>	5
<i>Another Highway Shortfall Possible</i>	3	<i>Transportation in the News</i>	5
<i>Senate Approves Rail Antitrust Legislation</i>	4	<i>Interesting News Coverage</i>	7
		<i>Association Notes</i>	8

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House & Senate Pass Budget Resolutions

The House and Senate have passed similar 2010 budget resolutions. Congress modified projected revenues and lowered future expenditures included in the President's proposal in order to reduce overall deficits and debt. Even after trimming, the 2010 budget is pegged at close to \$3.5 trillion.

The budget resolutions assume the same amount of discretionary transportation funding for 2010 (\$31.4 billion) and defer the decision on the upcoming surface transportation reauthorization bill by authorizing a "deficit neutral reserve fund". This will allow the Budget Committees to increase the spending allocations to the transportation committees for the surface transportation bill if the bill also contains tax increases to pay for the extra spending.

The plans also include additional contract authority for reauthorization of the Airport

Improvement Program at the same levels contained in House Federal Aviation Administration bill (H.R. 915), \$4.0 billion in 2010, \$4.1 billion in 2011 and \$4.2 billion in 2012, and accommodate Obama's budget request for \$1 billion a year for high-speed rail.

The budget resolutions reject the Obama Administration's proposed score keeping change that would modify surface transportation traditional budgetary "firewalls" and multi-year contract authority. See story in March TDA Newsletter.

Once the language is reconciled and approved by both chambers, the budget resolution will serve as a blueprint for appropriations bills written later in the year, but doesn't have the force of law.

Budget continued on page 7

Executive Perspective

By Craig Thompson, TDA Executive Director

Transportation: It Works

When it comes to transportation, it's hard to comprehend just how many important issues hang in the balance right now.

At the state level, a controversial new funding source – the oil company assessment – is being hotly debated. Yet this assessment, even if enacted, would result in increases of only one percent for most transportation programs. The budget also proposes to utilize the transportation fund to pay for school busing and other non-traditional transportation fund services.

At the federal level, the highway trust fund is depleted, and the current revenue streams are not sufficient to fund existing expenditure levels. The two commissions created by the U.S. Congress to assess the nation's transportation needs have both clearly stated that the federal government needs to raise the federal gas tax now and index it to inflation, and then transition to charging by vehicle miles travelled (VMT) – all in order to avoid a full-fledged crisis. Nevertheless, the Obama administration thus far has ruled out both a gas tax increase and a VMT fee. Worse, the administration proposed erasing the firewalls between the highway trust fund and the general fund, which would place transportation financing in even greater peril.

All of this, however, is merely background noise at best to the general public. The public is keenly aware, mainly, that the federal government has borrowed billions of dollars in one-time money and pumped it out to the states to try to stimulate our faltering economy. And national sentiment includes healthy skepticism about how effective some of the uses of this money will actually be at stimulating the economy.

We know that the portion of the money directed toward transportation infrastructure will in fact do precisely what it is supposed to do: ***employ people and build lasting assets that facilitate economic growth.*** And it's paramount in the coming months that taxpayers come to understand how their investments in transportation will yield those important results.

For this reason, TDA is working with our member groups across the state to launch our "It Works" campaign. We want to capture the work that is being done to improve our communities. We want to tell the stories of the people who are back to work and spending money in their communities as a result of stimulus investment in transportation.

The economic stimulus projects provide us a unique opportunity. If we can make the connection, while people are tuned in to this issue, that transportation investment works, we may have a fighting chance at truly addressing the daunting challenges that lay ahead at the state and federal level. We look forward to working with all of you this spring and summer to ensure that this story is not only told but heard, seen and understood, as well.

Midwest Governors Make Reauthorization Recommendations

The Midwest Governors Association (MGA) has released a report to provide recommendations to Congress on the upcoming reauthorization of surface transportation programs. The report was drafted by an advisory group the governors formed last year. The MGA recommendations include:

- Retain a strong federal funding role in surface-transportation programs by ensuring that federal investment does not fall below historic levels.
- Use a wide range of federal funding options, including taking steps to implement a future vehicle miles-based approach to supplement the motor fuel tax, to achieve long-term, stable and sustainable funding.
- Ensure that federal funding is focused on preservation, rural and urban access, and connectivity, as well as congestion and other national needs.
- Allow the use of the complete spectrum of innovative financing and public-private partnerships to supplement public dollars for infrastructure and ensuring that all areas of the country can participate.
- Retain the primary role of states in managing federal transportation investments through the use of state and metropolitan performance-based accountability processes that will focus transportation investments on systems and projects that provide significant benefits.
- Simplify the program structure, increasing the percentage of the core federal program apportioned to the states and reducing “off-the-top” set-asides, allocations and earmarks.
- Increase flexibility for program funds including the ability for states to transfer

funds among modes to meet changing needs and demands on the system.

- Streamline federal requirements and regulations so projects can be more cost-effective, reach completion more quickly and avoid duplication of effort.

The report also highlights innovative programs in the Midwest such as open road tolling in Illinois, the leasing of the Indiana Toll Road and HOT lanes in Minnesota.

Visit www.midwesterngovernors.org to view the entire report.

Another Highway Shortfall Possible

According to an updated analysis from the Congressional Budget Office, the Highway Account (HA) of the Highway Trust Fund (HTF) may once again run dry. Despite an \$8 billion infusion from the general fund last September, it is quite possible another transfer from the general fund will be needed before the end of the fiscal year, September 30th.

Katherine Siggerud, Managing Director of Physical Infrastructure for the Government Accountability Office (GAO), testified before the House Transportation Appropriations Subcommittee recently that the potential shortfall is one of the key transportation challenges facing legislators this year.

In a report, *Improved Solvency Mechanisms and Communication Needed to Help Avoid Shortfalls in the Highway Account*, the GAO makes the following recommendations to improve the U.S. Department of Transportation’s communications with stakeholders on the status of the HA:

Highway Shortfall continued on page 7

Senate Approves Rail Antitrust Legislation

The Senate Judiciary Committee has approved a bill (S. 146) that would repeal antitrust exemptions for freight railroads, giving the Department of Justice antitrust oversight and requiring Justice to sign off on any future mergers. At present, the Surface Transportation Board, an economic regulatory agency, resolves railroad rate and service disputes and reviews proposed railroad mergers.

Senator Kohl (D-Wisconsin), the bill's sponsor, says the bill will "ensure that railroads play by the same rules as all businesses in our economy and give those injured by anti-competitive conduct strong remedies." The Association of American Railroads, however, states that "overlapping regulatory schemes could derail the industry's ability to meet the nation's increased need for environmentally sound freight transportation."

Representative Tammy Baldwin (D-Wisconsin) has introduced a companion bill in the House (H.R. 233), which is currently pending in the House Judiciary Committee.

Senator Kohl and Representative Baldwin introduced similar bills in the previous Congress. Those bills were reported out by their respective Judiciary Committees, but neither legislative body took further action.

Transit Ridership Remains High

Americans took 10.7 billion trips on public transportation in 2008 up 4% from the previous year and the highest level in 52 years according to the American Public Transportation Association (APTA). The greatest ridership gains were in light rail (8.3%) and commuter rail (4.7%), but bus trips also increased (3.9%). These increases are in contrast to a 3.6 % decline in vehicle miles traveled on our nation's roads in 2008.

"Even as gas prices fell for the second half of the year and hundreds of thousands of people lost jobs, more and more people chose to ride public transportation throughout the country," said APTA president William W. Millar. "Given our current economic condition, people are looking for ways to save money and taking public transportation offers a substantial savings of more than \$8,000 a year. That's quite a savings."

This ridership record continues a long term trend of ridership growth. Public transportation use is up 38% percent since 1995.

Visit www.apta.com for more information about the ridership report.

President Signs Aviation Extension

President Obama recently signed a bill to extend through September 30, 2009 expenditure authority from the Airport and Airway Trust Fund and the excise taxes and fees that support the trust fund. The bill also provides the Airport Improvement Program with enough contract authority to fulfill its obligation schedule for the remainder of the fiscal year.

This extension will give Congress more time to put together a long-term reauthorization of the Federal Aviation Administration (FAA). The last FAA reauthorization expired September 30, 2007.

Just Say No

Approximately one month after the Obama Administration said no to a vehicle miles traveled fee (VMT), U.S. Transportation Secretary Ray LaHood reiterated the administration's opposition to a gas tax increase at a Senate Environment & Public Works Committee hearing.

"This administration, in these hard economic times with so many people out of work, can ill afford to tell people we're going to raise the gasoline tax," LaHood said. "That's off the table for now, senator."

The transportation funding crisis is well documented. Two congressionally created commissions have examined the state of transportation in the U.S. and have documented the needs. Both commissions concluded that Congress should increase the gas tax. The ten-cent increase proposed by the National Surface Transportation Infrastructure Financing Commission would only restore the purchasing power of the gas tax, which was last increased in 1993.

"We have a really awful infrastructure problem in this country," said Senator Voinovich (R-OH), ranking minority member of the Transportation & Infrastructure Subcommittee. "It's time we look the American people in the eye and tell them we're in bad shape...I think we've got to be forthright. I'd like to know, how are you going to take care of this?...Let's get serious. Where are you going to get the money?"

The U.S. Department of Transportation has drafted key principles for the surface reauthorization and sent them to the president for approval. LaHood did not indicate if the recommendations include a top-line number, but he "respectfully disagreed" that meeting highway and transit need can't be done without raising the gas tax.

Transportation in the News

Stimulus Items

Local Road Projects – By a vote of 16-0, the Legislature's Joint Finance Committee approved work to begin on \$42.4 million in road and bridge work using federal stimulus money. The 49 local projects are projects that are ready to go. Bids will go out as early as April 28. Click here to see the list of projects. <http://www.wisgov.state.wi.us/docview.asp?docid=16175>

However, the South Eastern Regional Planning Commission is withholding its approval from three of the four projects in its area: River Road bridge in River Hills and Highways Q and Y in Washington County. The committee doesn't want to commit funds before knowing all the potential projects that could be done. The American Recovery and Reinvestment Act allocated \$38.7 million to the Milwaukee area for road and bridge projects. Local governments have until April 8th to submit proposals. The committee will review these submittals prior to approving projects.

Milwaukee Transit – Milwaukee County Transit, Wisconsin's largest bus system, will receive \$25 million of the \$81 million Wisconsin will receive in transit capital stimulus funds. This infusion of cash will only delay – perhaps for a year – the expected financial crisis at the Milwaukee County Transit.

The Southeastern Wisconsin Regional Planning Commission and the Public Policy Forum have warned that the system could be forced to cut service by 2010 unless it receives new state or local funding.

The stimulus money will help the county buy some of the 155 buses it needs, but not all. And the one-time funding will not eliminate the need for addition long-term funding.

Wisconsin High-Speed Rail – Governor Doyle is hoping federal stimulus money will pay the full

Transportation News continued from page 5

\$519 million cost of the proposed 110 mile per hour Milwaukee-to-Madison passenger train line. The state had planned to apply for \$137 million to upgrade tracks on just a portion of the route and to improve passenger service on the Hiawatha. But that was before the final stimulus numbers were released including \$8 billion for high-speed rail.

If the grant is approved, service between Madison and Milwaukee could begin as soon as late 2012. The time for the trip would be about 1 hour and 7 minutes – approximately 20 minutes faster than by automobile.

Other

ASCE Final Report – The American Society of Civil Engineers released the full findings of its survey on the state of America’s infrastructure. This follows the January 28th release of preliminary findings.

Visit www.asce.org to view the entire report

Milwaukee’s Long Unused Federal Transit Funds – Mayor Barrett worked with Senator Herb Kohl, Representative Gwen Moore and Representative Dave Obey to change the terms of a transit allocation and to overcome a stalemate. This ended a long-running dispute over how to best spend \$91.5 million in idle federal transit funds.

The funds were originally part of a much larger \$289 million 1991 federal appropriation for Milwaukee mass transit. Over the years, the federal government took away \$48 million and approximately \$150 million was spent on other projects – leaving \$91.5 million in federal transit aids. Mayor Barrett championed the use of the funds for a downtown streetcar loop, while County Executive Walker fought that proposal and wanted all the money to go to buses.

The 2009 Omnibus bill includes a provision to spend the \$91.5 million in federal funds for

mass transit - \$54.9 for a proposed downtown Milwaukee street car and \$36.6 for Milwaukee County electric buses.

Minnesota – Governor Pawlenty has signed a bill providing \$5 million in the current biennium to study a high-tech mileage-based user fee to supplant the gas tax.

The gas tax isn’t keeping pace with the need for transportation investment. In the future, cars are “going to be powered by different things, perhaps including hydrogen fuel cells, potentially plug-in electrics, potentially other sources of energy,” Pawlenty said.

The Minnesota pilot program could also include real-time information for drivers on road conditions and roadwork.

Minnesota currently levies a 25.5 cent-per-gallon tax on gasoline to pay for transportation investment.

Texas – Two projects in Texas will be the first projects under the Federal Highway Administration’s Express Lane Demonstration Program, which permits tolling of new lanes being constructed to relieve congestion.

New toll lanes will be added to 28 miles of I-635 in the Dallas area and to 36 miles of I-820, I-35W and State Highway 183 in Forth Worth region.

Toll prices will vary according to time of day or level of traffic and will be collected electronically.

Interesting News Coverage

Highway Shortfall continued from page 3

Parade Magazine March 8, 2009 – “How We Can Save Our Roads” <http://www.parade.com/news/2009/03/how-we-can-save-our-roads.html?index=1>

PBS March 9-10, 2009 – “Transit in Trouble”. This 2 part series is the latest installment in the “Blue Print for America” series on infrastructure on The News Hour with Jim Lehrer <http://www.pbs.org/wnet/blueprintamerica/reports/transit-in-trouble/overview/481/>

USA Today March 16, 2009 – “\$8 billion could help revive travel by train” http://www.usatoday.com/travel/news/2009-03-16-high-speed-rail-travel_N.htm

Washington Post March 8, 2009 – “High Speed Rail Drives Obama’s Transportation Agenda” <http://www.washingtonpost.com/wp-dyn/content/article/2009/03/07/AR2009030701794.html>

Bloomberg.com March 3, 2009 – “Amtrak May Cut Ticket Prices Again as Ridership Drops” <http://www.bloomberg.com/apps/news?pid=20601103&sid=a7AVBc2r3qX4>

- Identify changes to existing solvency mechanisms designed to make annual adjustments to the Highway Account and communicate to Congress the potential benefits and limitations of these changes.
- Monitor additional indicators that can impact the account balance throughout the year to better anticipate sudden changes in the balance.
- Include in its proposed communication plan a periodic reporting schedule that includes information on the status of the Highway Account balance – based, in part, on information gained from monitoring additional indicators – and actions that may be needed to maintain account solvency.

But in the final analysis, the GAO concluded that without either reduced expenditures or increased revenues, or a combination of the two, Highway Account deficits will likely continue.

The GAO faults Congress for authorizing in SAFETEA-LU higher levels of highway spending than the HA could support. Based on the estimated receipts and outlays included in SAFETEA-LU, the HA would be drawn down from \$10.8 billion to approximately \$.4 billion. So even if revenue had come in as projected, there would have been little cushion in the account. Actual 2008 receipts were a little more than \$4 billion less than projected.

Visit www.gao.gov to view the entire report.

Association Notes



The big story this year as far as transportation funding goes has been the federal stimulus. The bill signed into law by President Obama is expected to provide Wisconsin \$529 million for highways and \$81 million for transit. Almost \$350 million in state and local projects have already been slated to begin. While this infusion of cash is vital to the industry and the economy, it alone will not solve the problem.

There is a bigger picture, and we must be careful not to lose sight of it. No matter how successful this one-time infusion of money may ultimately be in terms of getting more people back to work, the structural problems we face, in Wisconsin and throughout the nation, are going to require sustainable, ongoing solutions at all levels of government.

Join us on May 13th to hear from legislative leaders as they work on crafting the 2009-2011 budget. Please come and share your views on this very important budget for Wisconsin transportation.

Visit the TDA website, www.tdawisconsin.org, for event information and a registration form.

Calendar of Events

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

TDA Drive-in – May 13th at the Madison Club. Visit the TDA website, www.tdawisconsin.org, for event information and a registration form.

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 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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