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The Transportation Development Association of Wisconsin is a statewide, nonprofit educational organization working for an efficient and environmentally responsible transportation system that addresses safe mobility and economic growth.

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

Budget Repair Enacted

The budget adjustment bill was signed into law on May 16th after the Governor tested the limits of his newly narrowed veto authority.

The Governor had initially proposed transferring \$293 million from the transportation fund and backfilling \$190 million of that with general obligation bonds.

Both the Senate and Assembly objected to transferring money from the segregated transportation fund to solve the general fund deficit. Disagreements also remained between the houses over implementing a Hospital Bed Assessment or the "Hospital Tax" as it has been called, the level of tobacco securitization that should be used and delaying \$125 million of school aid payments into the next biennium.

As the negotiations dragged on, the Governor warned that if agreement wasn't reached soon it would impact the spring/summer road construction season. He instructed the DOT to post a statement on the portion of its website dedicated to contractors

that stated, "Please be aware that if action is not taken shortly to address the budget situation, May and June lets could be...reduced dramatically."

The May and June lets contain 106 projects comprising one-third of the total road construction season for 2008. The Senate and Assembly ultimately came to agreement and passed a budget adjustment bill on May 13/14, which limited the amount of money that could be transferred from the transportation fund under the authority of Act 20 (the 2007-09 biennial budget) and prohibited further transfers. The compromise also included pushing back \$125 million of school aid payments to the following biennium and increasing the amount of money to be leveraged under the tobacco securitization.

The bill passed the Senate 17-16 largely on a party line vote. The Assembly then passed the bill 51-46 with a bipartisan vote.

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Executive Perspective by Craig Thompson, TDA Executive Director

The Lesson of General Motors

The announcement earlier this week that General Motors will be closing one of its oldest and best-known plants, in Janesville, is wreaking havoc for thousands of families in southern Wisconsin and sending shock waves rolling through the entire state. It remains to be seen if the end of this era becomes yet another example of what economists call “creative destruction,” where innovation takes the place of a venerable industry. For the present, what’s happening in Janesville is a painful process and will undoubtedly have ramifications for all of us. It’s a stark reminder, too, of the fragility of our economy.

Some in the state are pointing the finger directly at the management of GM. They assert that these executives were several years behind the curve and should have retooled before we arrived at this situation.

That may be a valid observation. Hindsight is twenty-twenty. While many people in management positions and government offices saw changes on the horizon, far fewer predicted that gas prices would double in the last four years and precipitate such rapid changes.

Rather than assessing blame, though, maybe we should be looking inward and asking a hard question of ourselves: Have we, as a state, taken the necessary steps to at least keep up with, if not stay ahead of, our rapidly changing times? Unfortunately, the answer to that question is not open to debate. The answer is no. Especially when it comes to an issue the transportation industries know very well: the problem of the gas tax in Wisconsin.

Fuel prices here and elsewhere have reached the infamous four-dollar mark. Many experts predict the price will top five dollars a gallon next. As a result, gas consumption across the country and in Wisconsin is down. And yet, here in Wisconsin we continue to rely slavishly on the gas tax as the

predominant source of revenue when it comes to funding our transportation network.

Other states have been diversifying their transportation funding streams for years – utilizing open-road tolling, value-based registration fees and regional transit authorities and implementing pilot programs to study charges that would be based on the number of miles driven. In fact, many states have come up with a variety of effective, creative variations on broadening and strengthening their transportation revenue streams.

But here in Wisconsin we continue to put all our eggs in the gas-tax basket and then complain to the rest of the world that we have one of the nation’s highest gas taxes. Never mind that we actually collect less money per person than any other Midwestern state. Never mind that we actually collect less money per person than more than half of the rest of the states in the country. Never mind that the amount of money we do collect will continue to decline right along with the decline in consumption of gas, while the cost of construction materials will increase with the price of oil. Never mind that we stand alone in our refusal to utilize other dedicated funding sources for mass transit.

Whether GM executives lagged behind their curve or not can be debated, if people wish to debate it. When it comes to Wisconsin’s gas-tax monoculture, though, it is simply a fact that we are already too late to stay ahead of this particular curve. It’s also a fact that we had better move quickly if we are going to try and catch up. Our times are changing rapidly, and unless our policies and politics change to meet the challenges facing us, an auto plant in Janesville won’t be the only building sitting vacant in Wisconsin in 2010.

TDA Drive-in Timely



Just days after the legislature announced a compromise budget repair bill, more than 60 TDA members gathered at the Madison Club for the 6th annual TDA Drive-in. Both Senate Majority Leader Russ Decker and Speaker Mike Huebsch addressed the participants and expressed the importance of protecting the segregated transportation fund and the role this played in the crafting of the budget repair bill. Unfortunately, the Governor's vetoes just a couple of days later undid most of the legislature's good intentions with regards to the integrity of the transportation fund.



After the comments from the legislative leaders, Margaret Donahoe of the Minnesota Transportation Alliance reviewed how Minnesota was recently able to achieve a large transportation revenue increase in spite of a veto by Governor Pawlenty. Even after the collapse of the I-35W bridge, an increase in transportation funding was not a sure thing. The override effort took a diverse coalition – including the transportation industry, unions, transit, environmental groups, agricultural interests, business, and seniors/faith-based groups. It was important the package included not just roads but transit, as well, and that the increased funding was shared throughout the state. Ms. Donahoe also stated the successful ballot to constitutionally protect the transportation fund played an important role. Both legislators and their constituents knew where the money was going and how it would be used.

Tim Sheehy of the Metropolitan Milwaukee Chamber of Commerce and Tom Still from the Wisconsin Technology Council participated on the regional economic development panel. The panel began with comments from both participants. Mr. Sheehy spoke to the transportation needs facing Milwaukee and the region including the Southeast Freeway reconstruction and need for a regional transit system with a dedicated funding source. Tom

Still explained what drives regional economic growth, how Wisconsin has done in this area, and the importance of linking Wisconsin to Minneapolis and Chicago – the IQ Corridor. A question and answer period followed.

Craig Thompson, TDA's executive director, wrapped up the event by addressing not only the recent budget battles but also the longer-term challenges facing the nation, Wisconsin, and the transportation system.

Thanks Drive-in Sponsors

- AFSCME, Wisconsin Council 40
- American Council of Engineering Companies of Wisconsin
- CH2M HILL
- Earth Tech, Inc.
- FABCO Equipment, Inc.
- HNTB Corporation
- International Union of Operating Engineers Local 139
- Mead & Hunt, Inc.
- Miller-Bradford & Risberg, Inc.
- OMNNI Associates
- Short Elliott Hendrickson, Inc.
- Transportation Environmental Management
- Wisconsin Asphalt Pavement Association
- Wisconsin Commercial Ports Association
- Wisconsin Concrete Pavement Association
- Wisconsin County Highway Association
- Wisconsin Laborers' District Council
- Wisconsin Transportation Builders Association

Wisconsin Transit Week May 19-25

May 19-25 was the first Wisconsin Transit Week. This week was also the first for the new 2008 TDA program – “modal weeks”. TDA will also declare a “Rail Week”, “State & Local Roads Week”, “Ports Week” and “Aviation Week” this year. During each of these weeks, TDA will work with relevant stakeholders and the media to highlight for the public the vital role that each particular mode plays in Wisconsin’s transportation system and thus to its economy, safety and quality of life.

As part of the state’s recognition of the important role that transit systems play in the lives of Wisconsin citizens, Governor Jim Doyle officially proclaimed May 19-25 as Wisconsin Transit Week. In addition, elected officials in Milwaukee, Madison and Green Bay took bus rides in their cities to call attention to transit as a great and affordable way for people to get where they need to go.

TDA promoted Wisconsin Transit Week in several ways. In addition to hosting the elected officials on their bus rides, TDA has furnished buses in Milwaukee, Madison and Green Bay with promotional signs and offered a promotional Web site banner ad.

Visit the TDA website, www.tdawisconsin.org, to see the Wisconsin Transit Week proclamation, supporting statistics, stories, video, photos, links, and media coverage of the event.

I-94 Plan Receives Federal Approval

The Federal Highway Administration recently approved the Wisconsin Department of Transportation (WisDOT) plan to reconstruct and expand I-94 from Milwaukee to the Illinois border. The \$1.9 billion project – the most expensive in the state’s history – includes increasing the number of lanes from six to eight.

Barring a lawsuit brought to stop the project, construction on the interchanges near Mitchell Airport should begin next spring with the entire project completed by 2016.

Opponents of the plan claim the additional lanes are unnecessary and that the roughly \$200 million of incremental cost for the additional lanes would be better spent on transit. They assert the WisDOT traffic projections are flawed and do not take into account the impact of \$4 per gallon gas on the behavior of drivers.

TDA, business groups and other trade associations have supported WisDOT’s assessment that the additional lanes are needed to prevent congestion on the vital north-south route through 2035. Most of these same groups, including TDA, also support Southeast Wisconsin in its efforts to find a dedicated funding source for mass transit.

High Gas Prices, Fewer Miles Driven

The rising price of gas has people driving fewer miles. According to the Federal Highway Administration (FHWA), Americans drove 11 billion fewer vehicle miles this March than the previous year. This represents a decline of 4.3% over a year ago and is the sharpest yearly drop for any month in FHWA history.

The trend toward flat or declining vehicle miles traveled will impact transportation revenue at both the state and federal level and highlights the issue of over reliance on the gas tax.

TDA Congratulates Breske on Appointment

Governor Doyle recently announced the appointment of Senator Roger Breske as the new Commissioner of Railroads. The Office of the Commissioner of Railroads, in partnership with private rail firms, local governments and citizens, oversees a variety of highway/rail crossing issues.

Senator Breske, who was elected to the Senate in a special election in 1990 and served as chair of the Senate Transportation and Tourism Committee, has been a strong and consistent transportation advocate at both the state and federal level. A frequent TDA Fly-in participant and speaker at TDA events, TDA awarded its highest honor, the Transportation Service Award, to Senator Breske in 2005 for his distinguished leadership and significant contributions to Wisconsin transportation.

TDA congratulates Senator Breske on his appointment, thanks him again for his contribution to Wisconsin transportation, and looks forward to his continued work to improve and maintain Wisconsin's critical rail system.

Association News

Save these Dates

- TDA Golf Outing – Thursday, August 21st
- Wisconsin Freight Rail Day, September 29th
- TDA Transportation Symposium –
Wednesday & Thursday, November 12th
& 13th

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

*TDA Welcomes a
New Member
Coalition of Wisconsin Aging
Groups*

Budget Repair continued from page 1

The Governor quickly acted on the budget adjustment bill. On May 16 he issued his vetoes and signed the bill into law. The Governor vetoed the delay in school aid payments. He partially vetoed the tobacco securitization language to reduce the amount. The Governor also vetoed the language prohibiting any further transfers from the transportation fund. The Governor then partially vetoed words and numbers to change the language from stating that \$69 million dollars be lapsed from unencumbered funds in both the 2007-09 and the 2009-11 biennia to say that \$270 million be lapsed without any reference to the biennium.

The Governor has stated that approximately \$100 million of that \$270 million lapse authority will

come from transportation. The Governor also stated that the May and June lets would go forward as scheduled. According to the Governor, transportation funding will not fall below Act 20 (2007-09 budget bill) levels.

The Assembly attempted to override the Governor's veto regarding the transportation fund on May 28. The vote was 60 ayes to 36 noes, which failed to meet the 2/3 threshold necessary to override a veto.

It is projected that at this time the state will be facing a \$1.7 billion structural deficit heading into the 2009-11 biennium.

Transportation in the News

Stoughton Road Revitalization – The Stoughton Road Revitalization Plan recently won a National Neighborhood of the Year award from Neighborhoods USA. This grass-roots proposal to transform Stoughton Road to an attractive gateway for Madison's East Side took nearly three years to complete and began with eight East Side neighborhoods and eventually involved city, Dane County, and state officials. The plan is intended to complement the Wisconsin Department of Transportation efforts to improve the road – the Stoughton Road Corridor Study.

The full Madison City Council will consider the plan in June.

Record Year for Duluth Port – The Duluth Seaway Port Authority ended fiscal year 2007 with \$2.3 million in profits – the most profitable year ever. The reason for the record profit: inbound and outbound wind power equipment. To handle the massive wind turbines, blades, nacelles and towers, the port invested about \$400,000 last year to ready more than 6 acres of land for the equipment. According to Jonathan Lamb, general manager of Lake Superior Warehousing, the current shipping season is off to a more modest start, but he believes the port may be able to equal the volume of equipment it handled last year.

Minnesota – A report commissioned by the Minnesota legislature after the collapse of the Interstate 35W bridge was released in May. The report lays out the organization and actions of the Minnesota Department of Transportation (MnDOT) in regards to its bridge oversight responsibilities and makes recommendations for improvements.

Excerpt from the Executive Summary

We found that MnDOT sought to deal with its overall financial constraint in a generally responsible manner. However, on an operational level relating specifically to MnDOT's responsibility for the maintenance of the I-35W Bridge, we found that:

- *MnDOT policies were not followed in critical respects;*

- *Decision-making responsibility was diffused and unclear;*
- *The flow of information was informal and incomplete;*
- *Expert advice was not effectively utilized;*
- *Financial consideration may have adversely influenced decision-making; and*
- *Organizational structure did not adequately address Bridge conditions and safety.*

Our findings lay a basis for corrective action by the Legislature.... The Report recommends various legislative avenues to address MnDOT's financial and organizational challenges; to strengthen the bridge inspection and maintenance process; and to ensure improved information flow regarding bridge deficiencies within the State and across the country.

For the full report, MnDOT Commissioner Tom Sorel's comments and a statement by Governor Pawlenty, visit the Minnesota Department of Transportation website(www.dot.state.mn.us).

Another Minnesota Bridge Closing

In a related story, the Minnesota Department of Transportation abruptly closed the Winona bridge over the Mississippi River on June 4th for an indefinite period of time. During an inspection of the bridge, rust, corrosion and some buckling of a gusset plate were found. Officials will now determine how much traffic weight the bridge might safely carry. That analysis is expected to take several weeks, and the bridge will remain closed during that time.

Prior to the recent transportation package passed by the legislature, the Winona bridge had been scheduled for replacement by 2017. With the infusion of more funding and before the problems were found, the construction date had been moved up to 2015.

The Winona Bridge is 2,289 feet long and carries approximately 11,600 vehicles per day.

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Pennsylvania – A Spanish toll-road operator won the bidding to operate the Pennsylvania Turnpike, offering \$12.8 billion for a 75-year lease. In making the largest bid ever for the private operation of a U.S. toll road, Abertis partnered with a subsidiary of Citigroup and Spanish investment firm Critería CaixaCorp. Under the terms of the lease proposal, tolls would increase 25% next year and then can increase 2.5% or the rate of inflation each year.

The Rendell administration would invest the lease payment and use the proceeds to pay for highway, bridge and public transit projects – approximately \$1.1 billion a year over the next 10 years. This public-private partnership would also allow the state to drop the proposal enacted by the legislature last year to impose tolls on I-80, which requires federal approval.

Governor Rendell would like the Turnpike to be in the hands of a private operator by September. The lease must still be approved by the state legislature.

Virginia – Governor Timothy Kaine recently made his fourth proposal since he was elected to try to tackle the state's transportation crisis. A year ago, Virginia's transportation funding problem appeared to be solved, but then the Virginia Supreme Court ruled that the transportation package – the largest increase in 21 years – illegally shifted responsibility for raising taxes and fees to the Northern Virginia Transportation Authority (NVTA).

Governor Kaine's most recent proposal raises \$1.1 billion in taxes and fees by increasing the sales tax by 1 cent in Northern Virginia and Hampton Roads, the state's vehicle registration fee by \$10, and the sales tax on new cars by 1%. Kaine also proposes to increase the tax a seller pays when transferring real estate by 25 cents per \$100 of assessed value.

Kaine's proposal will likely face strong opposition in the Republican-controlled House of Delegates.

Wyoming – In an effort to offset flat or decreasing federal highway funding, the state of Wyoming is considering tolling trucks to use I-80. The state Department of Transportation has commissioned a study on this topic and public-private partnerships.

Senator Michael von Flattern, R-Gillette, chairman of the Transportation, Highways and Military Affairs Interim Committee, predicts that commercial truckers could eventually pay from \$40-\$80 dollars to cross the 400 miles width of Wyoming on I-80. Estimates suggest that revenue from the tolling might generate the entire \$6-\$8 billion the state says it will need to maintain and expand I-80 over the next 20 years.

I-80 is by far the busiest highway in the state. At its busiest point in Wyoming, more than 12,800 vehicles utilize I-80 each day – approximately half are big rigs from out of state. WYDOT estimates that the number of trucks on I-80 will increase 60% over the next 20 years.

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