



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>HTF Flush Through September 30th</i>	1	<i>Wisconsin Celebrates Aviation</i>	6
<i>Executive Perspective</i>	2	<i>Transportation in the News</i>	6
<i>2010 Appropriations Update</i>	3	<i>Association Notes</i>	8
<i>More State Budget Woes Likely</i>	4		
<i>Aviation Reauthorization Progresses in Senate</i>	4		
<i>Congestion Declines Slightly</i>	5		
<i>Congratulations WisDOT</i>	5		

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HTF Flush Through September 30th

The House and Senate have passed legislation providing \$7 billion for the Highway Trust Fund from the general fund in order for states to continue to receive full reimbursement for federally funded highway projects through the end of the current fiscal year, September 30th. Without an infusion of cash, the Federal Highway Administration would have had to slow reimbursement to the states by the end of August. Accordingly, it was important that Congress pass the legislation before the start of the August congressional recess.

President Obama is expected to sign the legislation despite the administration's preference for a \$20 billion transfer from the general fund in

combination with an eighteen-month extension of the authorization for existing programs.

When the Congress returns in September, it will still need to address the September 30th expiration of the current surface transportation authorization. While Chairman Oberstar continues to push the transportation bill in the House, it is probable there will need to be an extension of some duration. Even if the House can hit the September 30th deadline, it is unlikely the Senate can, assuming it had the inclination. Senate leadership supports the Obama request for an eighteen-month extension.

Executive Perspective

By Craig Thompson, TDA Executive Director

Wisconsin's High-Speed Rail Future

It is not a common occurrence that Wisconsin is well positioned to beat out other states and regions for significant federal funds. Despite all of our wonderful attributes, the 10 congressional votes Wisconsin wields can often look like a bit like a slingshot. The Midwest as a region, for that matter, is not often considered a political Goliath.

This is one of the reasons why the news accounts of Wisconsin being on the short list to receive American Recovery and Reinvestment Act (ARRA) funds for high-speed rail has been so compelling. The work that has been done by the Midwest Regional Rail Initiative (MWRRI) is largely to thank for our advantageous position. The initiative is a cooperative effort between Amtrak, the Federal Railroad Administration, Wisconsin and eight other Midwestern states.

MWRRI has identified priority rail corridors which include linking Chicago to St. Louis, Detroit, Milwaukee, Madison and Minneapolis. Visit www.midwesthsr.org to see a map of all the proposed routes and the plan details.

In addition to all of the planning and development that has been done, Governor Doyle recently entered into an agreement with the Spanish train company Talgo to purchase two new train sets for existing service on the Hiawatha line with an option to purchase additional trains in the future. Governor Doyle has pointed out that the Madison to Milwaukee line may be the most "shovel ready" project in the country.

The potential of connecting Chicago and Minneapolis via Wisconsin is tremendous. The Wisconsin Technology Council has referred to this as the IQ Corridor. They point out that this would connect two of the largest economies in North America with one of the premiere research

universities, UW-Madison, in the middle. The implications of that could be significant for Wisconsin.

With all of that being said, we need to maintain focus – a multimodal focus. High-speed rail has the potential to be a significant asset to Wisconsin, but it will not operate in a vacuum. How high-speed rail fits into our existing transportation network is critical. Without adequate transit connections from the various destination points, the attractiveness of utilizing this option decreases.

We also have to keep in mind that no matter how successful high-speed rail is, the overwhelming percentage of goods and people will still move via other modes, mostly by roads. All of this needs to be taken into account. If we are going to be successful, we need to determine how we are going to upgrade our failing transportation network while we also integrate high-speed rail into that network.

The potential of high-speed rail for Wisconsin, the Midwest and the country is exciting. We must not, however, become myopic. Our transportation needs are daunting. The entire system, including high-speed rail, requires a sober, comprehensive plan to become a truly efficient, modern and multimodal network. And then we need buy-in from the public in order to make that plan a reality.

2010 Appropriations Update

Congress has made progress on the 2010 transportation appropriations bill in the last several weeks. The House passed an appropriations bill with \$75.8 billion in gross discretionary transportation spending, while the Senate Appropriations Committee passed a slightly larger bill providing \$76.2 billion for the U.S. Department of Transportation. The bills reflect the different priorities of the two chambers of Congress.

In the House bill, high-speed rail is the big winner receiving \$4 billion, \$3 billion over the president's request. This increase was made possible by the White House requesting in the budget \$5 billion for the National Infrastructure Bank. However, the Bank is not quite ready for prime time. Not willing to give up entirely on the Bank in 2010, the House included a provision in the appropriation stating that if the Bank was authorized by October 1, 2010, up to \$2 billion of the \$4 billion in high-speed rail funding could be transferred to the new bank.

The Senate bill, on the other hand, contains only a slight increase in high-speed rail funding over the president's request and doesn't provide any funding or transfer authority for the Bank. Instead, the Senate bill appropriates \$1.1 billion for discretionary surface transportation grants within the Office of the Secretary, \$1.4 billion in general funds for the highway program and an extra \$480 million for transit new starts.

Highways

The Senate and House bills provide the same obligation limitation on the federal-aid highway program, \$41.107 billion. This is also the same amount requested by the president and represents a one percent increase over fiscal year (FY) 2009 non-stimulus levels.

As mentioned above, the Senate bill supplements the obligation limitation with an additional \$1.4 billion appropriation from the general fund. \$900 million of the amount is to be apportioned to states via formula. The remaining

\$500 million is to subsidize and administer the TIFIA credit program.

Aviation

The majority of the increase in aviation funding for 2010 is in operations and the Facilities and Equipment account. The Airport Improvement Program is held at \$3.5 billion for about the fifth consecutive year.

(in billions)	FY 2009	2010 Request	2010 House	2010 Senate
Operations	\$9.042	\$9.336	\$9.347	\$9.359
Facilities & Equipment	2.742	2.925	2.925	2.942
Research, Engineering & Development	.171	.180	.195	.175
Airport Improvement Program	3.515	3.515	3.515	3.515
Total	\$15.470	\$15.956	\$15.982	\$15.991

Transit

The Senate bill provides \$11.066 billion for the programs of the Federal Transit Administration, 8.2 percent more than in 2009, excluding the stimulus funds. The Senate amount is also \$730 million more than the amount requested by the president and \$582 million more than the amount passed by the House.

The biggest transit account, Formula and Bus Grants, receives \$8.343 billion in the president's proposal and both congressional bills. The amount represents an increase of one percent over 2009 non-stimulus levels. The difference between the House and Senate levels is due primarily to the additional \$480 million the Senate allocated to Capital Investment Grants (a.k.a. new starts).

Rail

The variation in the rail totals is almost exclusively due to the various high-speed and intercity passenger rail amounts.

(in billions)	FY 2009	2010 Request	2010 House	2010 Senate
Amtrak Operating Subsidies	\$.550	\$.572	\$.553	\$.553
Amtrak Capital Grants*	2.240	.930	.930	1.000
High-Speed Rail Intercity Passenger Rail*	8.000	1.000	4.000	1.200
All other	.272	.203	.269	.283
Total	\$11.062	\$2.705	\$5.752	\$3.036

2010 Appropriations continued on page 8

More State Budget Woes Likely

FY 2009 can be summed up in one word: dismal.

FY 2010 can be characterized by two words: even worse.

2009 will go down in history as one of the most difficult for state budgets. Hemorrhaging revenues have produced gaping holes in FY 2009 and FY 2010 budgets, and the bleeding is far from over.

Above is an excerpt from a press release from the National Conference of State Legislatures (NCSL) to announce the release of their report on state finances, *State Budget Update: July 2009*. This report documents the \$142.6 billion gap legislatures had to close in order to enact their new budgets. This staggering number does not include any new gaps that may open after the fiscal year began, which was on July 1 for 46 states including Wisconsin.

“If you think legislators are breathing a sigh of relief because their budgets are passed, think again,” said William Pound, NCSL executive director. “If history repeats itself, states are bound to see budget gaps reappear within the first quarter of FY 2010.”

Without the stimulus money provided by the American Recovery and Reinvestment Act of 2009 (ARRA), state fiscal problems would have been worse. However, these funds may have just delayed even tougher decisions. Many states have reported they are looking at a cliff in 2011 because ARRA funding will be gone, and state revenue performance is not projected to rebound strongly enough to make up the difference.

Visit NCLS.org to view the entire report.

Aviation Reauthorization Progresses in Senate

The Senate Commerce, Science and Transportation Committee approved a two-year, \$34.6 billion aviation reauthorization bill (S. 1451). The bill would extend the Federal Aviation Administration’s authorization until September 2011. The Senate Finance Committee must still decide how to fund the bill before it can go before the full Senate for a vote. Unlike the House version of the bill, the Senate version does not increase the cap on passenger facility charges (PFCs), which is currently \$4.50.

The House passed its version of the bill in May. H.R. 915 is similar to the bill passed by House in the last Congress and would authorize \$70.4 billion in appropriations over the four-year period including fiscal years 2009-2012. Like the previous House version, the revenue title of the bill would extend all existing aviation taxes and trust fund expenditure authority for another three years and would increase the tax rate on general aviation fuel from 21.8 cents per gallon to 35.9 cents per gallon and on aviation gasoline from 19.3 cents per gallon to 24.1 cents per gallon. The bill would also authorize commercial airports to impose \$7 PFCs.

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

Congestion Declines Slightly

Nationally, congestion decreased slightly for the second year in a row according to the Texas Transportation Institute's *2009 Urban Mobility Report*. The report examines the impact of congestion in 439 U.S. urban areas from 1982 to 2007. On average, drivers wasted 36.1 hours in traffic in 2007, down from 36.6 hours in 2006 and 37.4 hours in 2005. The reduction was due in a large part to high gas prices and the current recession. The report authors warn that the slowdown in congestion growth will be temporary. When the economy rebounds, expect traffic volume to do the same.

Even with the slight decrease in congestion, the costs to the U.S. economy are significant and in 2007 included:

- \$87.2 billion in overall cost (based on wasted fuel and lost productivity) – more than \$750 for every U.S. traveler.
- 2.8 billion gallons of wasted fuel – three weeks' worth of gas for every traveler.
- 4.2 billion hours of lost time – nearly one full work week (or vacation week) for every traveler.

Milwaukee, the only Wisconsin city specifically tracked in the report, continues to have less congestion than the U.S. average. However, Milwaukee residents still spend 18 hours a year stuck in traffic leading to the consumption of 10.7 million gallons of extra fuel. Congestion costs each motorist in Milwaukee about \$382 a year.

The researchers recommend a balanced and diversified approach to reducing traffic congestion. The recommended strategies include:

- Efficiently utilizing the existing transportation system.
- Adding roadway and public transportation capacity where necessary.
- Changing our travel patterns, employing ideas like ridesharing, telecommuting and

flexible work times.

- Providing more choices, such as alternate routes and toll lanes for faster and more reliable trips.
- Diversifying land development patterns, to make walking, biking and mass transit more practical.
- Adopting realistic expectations, recognizing that large urban areas are going to have congestion at some times of the day.

Visit <http://mobility.tamu.edu/ums/> to view the report.

Congratulations WisDOT

AASHTO (American Association of State Highway and Transportation Officials), AAA and the U.S. Chamber of Commerce recently presented prizes in two of America's Transportation Award regions. In the Mississippi Valley Region, Wisconsin was honored for the Lake Delton Highway Repair Project, which repaired damage caused by the most costly natural disaster in the state's history. The department, contractors and others worked together to re-establish in record time reliable access to this economically important part of the state.

The winning projects from all four regions will contend for America's Transportation Awards Grand Prize presented at the AASHTO Annual Meeting in Palm Desert, California, this fall. A separate People's Choice Award will be given to the project with the highest online votes. Visit www.AmericasTransportationAward.org to view the regional project winners to date.

Wisconsin Celebrates Aviation

In recognition of the contributions of Wisconsin's multi-billion-dollar aviation industry to our state's economy and quality of life, Governor Jim Doyle officially proclaimed that July 20-26 was Wisconsin Aviation Week.



The Transportation Development Association of Wisconsin promoted Wisconsin Aviation Week to call attention to the many benefits that Wisconsin's 132 public-use airports and accompanying aviation services provide to the communities they serve.

Wisconsin's aviation industry remains a vital part of the state's economy despite the national recession. The DOT Bureau of Aeronautics reports that Wisconsin flights served 5.7 million passengers last year, about the same as the year before. Wisconsin aviation also moved nearly 120 million tons of cargo, an increase of 2.7 percent from 2007.

"The fact that Wisconsin's airports are holding their own during the current economic crisis is just one indication of how aviation works for Wisconsin - it is an industry that is poised to help Wisconsin's economy rebound from these difficult times," says TDA executive director Craig Thompson.

Visit the TDA website, www.tdawisconsin.org to view the Governor's Proclamation, modal information and more.

Transportation in the News

Stimulus

Cassville Ferry – As part of \$60 million set aside by the American Recovery & Reinvestment Act of 2009 (ARRA) for the Federal Highway Administration's ferry boat discretionary program, the community of Cassville, Wisconsin, will receive \$1.8 billion to replace its 43-year-old ferry. The ferry crosses the Mississippi River and connects Cassville with Millville, Iowa. More than 20,000 riders take the ferry each year.

Wisconsin Railroads – Wisconsin & Southern Railroad Co. and Canadian Pacific Railroad will share \$571,000 in stimulus funds for the installation of devices to reduce diesel emissions on 40 locomotives. The installation of idle reduction devices will reduce fuel consumption and emission by 50 to 70 percent according to Governor Jim Doyle. The funds were awarded by the Environmental Protection Agency to the Wisconsin Department of Natural Resources (DNR) as part of a competitive process established by the ARRA.

Trains, Trains, Trains – In response to the pre-application deadline for the \$8 billion dollars appropriated for high-speed and intercity passenger rail projects under the ARRA, the Federal Railroad Administration (FRA) received 278 pre-applications. These initial requests totaled nearly 13 times more than the amount appropriated. More detailed applications must be submitted later this year. The FRA expects to announce the first grant awards in the fall.

Other

Illinois – Governor Pat Quinn signed into law a \$31 billion statewide construction program for highways, public transportation and schools. This is the first major public-works program in over a decade and will be paid for with increased drivers license, license plates and title transfer fees and 30% of the revenue from newly authorized video

Transportation News continued from page 6

gambling machines that may be installed in bars, restaurants and social clubs. Quinn hopes the package will create or save more than 400,000 jobs over six years.

Michigan – If the cut in Amtrak funding passed by the Michigan Republican-controlled Senate – a \$3.6 billion reduction, representing almost half of the subsidy – holds, Michigan could lose two of three Amtrak lines in the state. Governor Granholm and the Democratic-controlled House have proposed a smaller cut of \$1.6 billion. However, service cuts are likely in either case. Michigan is one of fifteen states that contracts with Amtrak to operate trains within their borders.

Minnesota – Motorists in Minnesota are now paying 1.6 cents more per gallon in gas taxes. This increase is the fourth in the last fifteen months and is part of a \$6.6 billion program to improve the state's highways, bridges and transit systems enacted in 2008. Minnesota's gas tax is currently 27.1 cents per gallon with additional scheduled increases of .4 cents on July 1, 2010 and .5 cent on both July 1, 2011 and July 1, 2012. Even with these scheduled increases, a stakeholder group, Minnesota 2020, estimates that revenues will not be enough to continue investing in mobility at existing levels. Minnesota 2020 urges the Minnesota legislature to index the gas tax to inflation to begin to bridge this funding gap.

North Carolina – Governor Bev Perdue recently signed a bill giving the North Carolina Department of Transportation authority to partner with private companies to develop highway projects. The authority expires at the end of 2011. The state is working with private firms to study the feasibility of constructing a toll bridge to the Outer Bank over Currituck Sound. There are no toll facilities in North Carolina at present.

Oklahoma – In response to declining toll revenue primarily due to sluggish heavy-truck traffic, the Oklahoma Turnpike Authority voted

to approve a 16% rate increase effective August 4th. The increase will impact passenger and commercial vehicles and is the first toll increase since 2001. The authority will also reduce spending in the upcoming year. However, the increase was necessary "or else maintenance of our system is going to really take a hit," said Jack Damrill, Turnpike Authority spokesman.

Oregon – Governor Ted Kulongoski signed an annual \$300 million highway improvement program to be funded with a six-cent fuel tax increase and higher vehicle fees. Because of the recession, the gas tax increase will not kick in until there have been two consecutive quarters of employment growth or January 2011, whichever comes first. The vehicle fees will go up this fall. Oregon's two year vehicle registration fee will increase from \$54 to \$86, the title fee will increase to \$77 from \$55 and the cost of license plates will increase from \$5 to \$20. Oregon's current motor fuel tax is 24 cents-per-gallon.

West Virginia – The West Virginia Parkways, Economic Development and Tourism Authority joined Oklahoma and increased its tolls recently, the first increase since 1981. Drivers who pay cash will pay \$2 for passenger vehicles and \$6.75 for five-axle trucks. Current rates are \$1.25 for cars and \$4.25 for the largest trucks. E-ZPass users will receive a discount and be charged \$1.30 for cars and \$5.40 for trucks.

Vehicle Miles Traveled Up Again – Vehicle miles traveled (VMT) in May 2009 were up slightly over 2008 levels. This is the second consecutive month with an increase after five quarters of decline. VMT for the first five months of the year remains down .8 percent as compared to last year.

Association Notes

Calendar of Events

Wisconsin Concrete Pavement Association Golf Outings & Scholarship Fundraiser – August 27th at the Sherwood Forest Golf Course in Sherwood. Visit www.wisconcrete.org for a registration form.

WisDOT hearings on the final draft of Connections 2030. All meetings will be held from 4:00 to 7:00 pm. The public comment period begins July 24 and ends August 31, 2009.

Milwaukee

Tuesday, August 11, 2009
Milwaukee County Downtown Transit Center
Harbor Lights Room - 2nd floor
909 E. Michigan Ave., Milwaukee, WI

Madison

Wednesday, August 12, 2009
Alliant Energy Center
1919 Alliant Energy Center Way, Madison, WI

Appleton

Thursday, August 13, 2009
Appleton West High School
610 North Badger Rd. Appleton, WI

Stevens Point

Wednesday, August 19, 2009
UWSP Dreyfus University Center
1015 Reserve Street, Stevens Point, WI

Eau Claire

Thursday, August 20, 2009
Sacred Heart Conference Center
900 W. Clairmont, Eau Claire, WI

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 Annual Meeting – October 1st
- 2010 TDA Fly-in – March 10th-11th

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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2010 Appropriations continued from page 3

Once the Senate passes its bill, the two bills will have to be reconciled in conference committee prior to being sent to the President. And of course, there will have to be some sort of authorization for the programs, either in the form of extensions of the existing surface transportation and aviation authorizations or new authorizing legislation. Fiscal year 2010 begins on October 1, 2009.