



IN THIS ISSUE

Executive Perspective	2
2009 Appropriations Process	3
House Passes Amtrak Reauthorization	3
Federal Transit Funding	4
Association News	4
Transportation News	5

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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.

Congress Clears 3-Month Aviation Extension, No HTF Fix

Both the House and Senate recently passed a “clean” three-month aviation extension (H.R. 6327). The president signed the bill into law on June 30th.

The bill provides for a three-month extension of the aviation taxes that support the Airport and Airways Trust Fund and also a three-month extension of the authority to spend money from that trust fund. The taxes and expenditure authority would otherwise have expired on June 30th.

380,000 Jobs in Jeopardy without HTF Fix – 6,800 in Wisconsin

The bill doesn’t address the solvency of the Highway Trust Fund (HTF) as transportation advocates had hoped. As originally introduced, H.R. 6327 would have included an \$8 billion appropriation from the general fund to the HTF to put off the pending insolvency in the HTF’s Highway Account

until late 2010. Because of “strong Republican opposition” and the need to enact the aviation extension by month end, the \$8 billion in highway funding was removed from the aviation bill.

If the HTF shortfall is not fixed by the end of September, total 2009 federal highway funding will have to be reduced by at least \$14 billion – a 34% cut – resulting in the loss of approximately 380,000 jobs. For Wisconsin, this would mean a loss of more than \$197 million in federal transportation revenue and an estimated loss of 6,800 jobs.

Reductions in auto travel as fuel prices have topped \$4 per gallon may lead to an even larger shortfall.

Executive Perspective by Craig Thompson, TDA Executive Director

Moving Beyond Words

It is possible for words or phrases to be repeated so many times that they begin to lose their impact. For instance, think of how often we have heard public officials trot out this obligatory line: “Transportation is the backbone of our economy.”

That’s not a mere statement of fact, yet too many decision-makers just pay lip service to the importance of transportation. Often, it takes certain events – sometimes events that are entirely out of anyone’s control – for the full weight of those words to hit home.

The devastating floods in Wisconsin and other Midwestern states come to mind as a vivid illustration of the staggering cost of allowing our lawmakers to become complacent about transportation’s direct relationship to the economy of our state. Because it caused such massive disruption of our transportation network, the flooding brought those words to life with real and terrible clarity.

As I write this, more than 100 barges loaded with grain, cement, scrap metal, fertilizer and other products are currently sitting in the upper Mississippi River near La Crosse, waiting for water down-river to recede. For every day they have waited and for every day they will continue to wait, barge operators lose tens of thousands of dollars.

Businesses in the vicinity of roads that were closed due to flooding can certainly attest to the economic effect of transportation interruptions. The closure of I-94 by Johnson Creek, for example, left stores at the nearby outlet mall reeling; in the days following the closure, Old Navy reported that its sales had fallen short of projections by more than 80 percent. There are similar stories, of course, near I-39 and along other thoroughfares that were closed across the state. And the impact of these closures on Wisconsin’s tourism industry could range from significant to catastrophic by the time all of those losses are counted.

Fortunately, the Wisconsin Department of Transportation, along with counties and private businesses across the state, acted quickly to mitigate the detrimental effects of the flooding as well as can be expected.

It isn’t always acts of nature, however, that provide us with these stark reminders. The Winona bridge that connects Wisconsin and Minnesota was shut down temporarily due to structural concerns. Businesses on the Wisconsin side of the bridge say the closure brought them to their knees.

One of Wisconsin’s economic engines – the forestry industry – has felt the financial pain of various bridges being posted for overweight loads during the spring. These bridges were not engineered to safely handle such large loads. And now the haulers are dealing with the drastically increased travel costs that have come with using alternate routes to get products to destinations.

The real life examples – both natural and man-made – are, unfortunately, continuing to mount. Perhaps these events will rouse us to move beyond paying lip service to an understanding of just how fundamental our transportation network is to our economic survival.

2009 Appropriation Process Begins

Congress recently approved a budget resolution for 2009. While the budget resolution is non-binding, it does set overall targets for revenues and expenditures. Shortly thereafter, House appropriators began working on the 2009 appropriations.

Below are the know details of a draft bill providing 2009 appropriations for the Department of Transportation as approved by a House subcommittee:

Highways – The proposed bill includes an obligation limitation for the federal-aid highway program of \$40.199 billion, which is the exact amount called for in SAFETEA-LU and \$800 million more than the Administration's request. The proposal includes a reduction of \$1 billion under the revenue alignment budget process (RABA), which lowers the highway obligation limit when fuel tax revenues are below expectations.

The funding above assumes a fix to the looming shortfall in the Highway Trust Fund. If the HTF shortfall is not fixed, that funding will likely have to be cut by at least 34%.

Public Transportation – The draft House bill provides \$10.338 billion for the Federal Transit Administration. The amount represents the full amount guaranteed under SAFETEA-LU and is 9% more than FY 2008 and 2% over the requested amount.

The Formula and Bus Grants, the largest transit account, would receive the amount authorized in SAFETEA-LU – \$8.361 billion, a \$593 million (7.6%) increase over FY 2008. The Capital Investment Grants (a.k.a. new starts) would receive a \$1.809 billion general fund appropriation in FY 2009, an increase of 15% over FY 2008 and 12% higher than the White House budget request.

Aviation – The draft bill provides a total of \$15.372 billion for the Federal Aviation Administration (FAA), which is 3% more than FY 2008 and 5% more than the Bush request. The Airport Improvement Program (AIP) receives an obligation limitation of

\$3.515 billion, the same as FY 2008 and \$765 million above the budget request.

Rail – Amtrak would receive \$1.439 billion in 2009 under the proposed legislation – \$114 million more than last year and over \$600 more than requested by the President.

Federal Railroad Administration safety and operations would receive \$158 million in FY 2009 under this budget, an increase of \$8 million, while research and development would be reduced by \$2 million. The stand-alone appropriation for the Rail Line Relocation and Improvement Program, which the President proposed to eliminate, would receive \$25 million in 2009.

The draft budget bill also includes \$60 million for the new passenger rail development grant program, which is twice the 2008 amount but less than the \$100 million in the Administration's budget plan.

Given the fall campaign season and how far apart Congress and the White House are on domestic spending, none of the appropriations bills, with the exception of perhaps Defense, is expected to be sent to President Bush before the November elections.

House Passes Amtrak Reauthorization

In June, the House passed an Amtrak and passenger rail bill that would authorize approximately \$16 billion over five years. The Passenger Rail Investment and Improvement Act of 2008 (H.R. 6003) was passed by a veto-proof margin, despite a veto threat from the White House.

The bill provides \$9.9 billion for Amtrak, \$1.75 billion for construction and equipment for high speed rail and \$2.5 billion for direct grants to states for intercity rail. The bill would also authorize \$1.5 billion for Washington's Metro transit system over the next 10 years.

Amtrak continued on page 5

House Votes Additional \$1.7 Billion for Transit

The House recently passed the Saving Energy through Public Transportation Act of 2008 (H.R. 6052) by a large margin. This bill would provide an additional \$1.7 billion in grants to transit agencies over a two-year period and offer other support for public transportation.

The additional \$850 million in funding authorized for mass transit programs both this year and next and distributed according to existing Federal Transit Administration formulas would help agencies cope with increased ridership and higher fuel costs. In addition, the bill as approved by the House would:

- Increase the federal share for clean-fuel and alternative-fuel transit equipment from 90% to 100%
- Extend transit subsidies to all federal employees
- Increase from \$115 to \$220 a month the maximum transit subsidy amount for federal employees
- Increase the federal share for additional parking facilities at end-of-the-line fixed-guideway stations and commuter-bus lines from 80% to 100%

This bill was among a number of actions Democrats took recently to demonstrate to voters that they are doing something about record-setting gas prices. The bill now goes to the Senate.

The Administration has already issued a policy statement opposing the legislation warning that transit agencies should not become reliant on temporary federal assistance. The Administration also opposes expanding transit benefits to all federal employees as agencies would be required to reduce programs and services to fund the mandate.

Association News



Register Today

TDA Golf Outing August 21st Bridges Golf Course

Spend time networking with other transportation professionals while enjoying a summer afternoon on the golf course. Members are encouraged to bring guests. Please photocopy the form for each registrant.

*Thursday, August 21, 2008
after TDA Board Meeting*

Tee times begin at 12:16 p.m.
at the
Bridges Golf Course
2702 Shopko Drive
Madison, WI

*Visit the TDA website,
www.tdawisconsin.org for a
registration form.*

Save these Dates

- 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.*

Transportation in the News

Arizona – A coalition of business, economic and political interests called TIME – Transportation & Infrastructure Moving AZ’s Economy – has collected enough signatures to put a \$42.6 billion statewide transportation initiative on the November ballot. The initiative calls for a one-cent increase in the state sales tax to fund roadway and transit projects.

Minnesota – The Minnesota Department of Transportation (MnDOT) announced they will replace 11 highway and freeway bridges over the next 10 years as part of a \$2.5 billion bridge plan. State Transportation Commissioner Tom Sorel estimates that by 2018 120 bridges that lack structural redundancies or rank poorly on the federal bridge rating system would be repaired, replaced or under construction.

Funding for this program comes from a gas tax increase and other fee hikes that the legislature put into law over Governor Pawlenty’s veto earlier this year.

Rural Roads Safety Clearinghouse – U.S. Transportation Deputy Secretary Thomas Barrett recently announced that the University of Minnesota will be home to a new national clearinghouse for information about the best way to make rural roads safer. This is part of the national strategy of Secretary Peters to bring new focus, including resources and technology, to reducing deaths on the nation’s rural roads. For more information, visit www.dot.gov/affairs/ruralsafety/.

Interesting News Coverage

USA Today June 1, 2008 – “Soaring fuel prices drive some to try four-day workweeks”. This story includes the road crews of Walworth County.
http://www.usatoday.com/money/workplace/2008-06-01-work-week-four-day-gas-prices_N.htm

Washington Post Editorial June 8, 2008 – “Screeching to a Halt, On mass transit, the nation is falling perilously behind”.
<http://www.washingtonpost.com/wp-dyn/content/article/2008/06/07/AR2008060701651.html>

The Bond Buyer June 18, 2008 – “Airports Poised for Privatization”. Chicago works to privatize Midway Airport.
<http://www.bondbuyer.com/article.html?id=200806170N39LN85>

New York Times June 22, 2008 – “As the Road Turns Gray, Ways to Make Driving Safer”.
http://www.nytimes.com/2008/06/22/automobiles/220LDER.html?_r=1&oref=slogin

NBC Nightly News June 29, 2008 – “Bumpy roads underscore rising oil prices”.
<http://www.msnbc.msn.com/id/21134540/vp/25442074#25442074>

Amtrak continued from page 3

The White House has threatened a veto stating that the bill does not force Amtrak to make “meaningful reforms” and that the bill doesn’t allocate service based on demand.

The Senate passed its \$9.8 billion version of Amtrak reauthorization by a veto-proof margin in late 2007 (S. 294). The next step is for a House and Senate conference committee to come up with a compromise bill to be passed by Congress and signed by the President before the end of the year.

While this bill could authorize programs, funding would still have to be provided during the annual appropriations process. Amtrak’s previous authorization expired in 2002.