



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.

## July 2009

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## 2009-2011 Budget Enacted

The 2009-11 Wisconsin state budget has been signed into law and is now 2009 Wisconsin Act 28. Despite the fact that this budget was passed by July 1st for the first time in thirty years, the process of getting to that point was anything but smooth.

Following the Joint Finance Committee (JFC), the Assembly, Senate and eventually a conference committee each had a crack at rewriting the budget. Governor Doyle had the final say executing 81 vetoes and signing Act 28 at the Governor's Residence on June 29th.

Transportation was one of the hotly debated issues. Transportation revenue and Regional Transit Authorities (RTAs) were among the major items that saw changes throughout the process.

### Revenue

After the JFC stuck with the governor's "oil company profits tax" (as outlined in the TDA June Newsletter), the Assembly renamed it the "oil company assessment", deleted the tiered structure of the tax and instead established a fixed rate of 2% of annual gross receipts up to the equivalent of 4.4 cents per gallon of gas. They also removed the controversial "no pass-through provision".

The Senate scrapped the "oil company assessment" altogether and created a new appropriation for making a transfer from the general fund to the transportation fund roughly equaling the amount that would have been raised by the "oil company assessment" (\$260 million). The revenue for the new general fund appropriation would have been generated

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# Executive Perspective

By Craig Thompson, TDA Executive Director

## State Budget Keeps Transportation Afloat

For the first time in more than 30 years, Wisconsin's biennial budget was passed and signed into law by the statutorily required deadline of July 1st. Even more impressive: it happened in the midst of the worst budget deficit in the history of the state. For this the legislature and governor deserve credit.

The picture is less clear in determining what the budget contains that will guide Wisconsin transportation policy for the next two years. The state took a historic step forward by allowing Regional Transit Authorities, with taxing authority, to move forward in some areas of the state.

Even within this significant accomplishment, however, the path forward for Wisconsin – when it comes to regional transit solutions – is muddy at best.

In terms of overall transportation funding, the legislature and governor ultimately stepped to the plate to ensure that there would not be a precipitous drop-off in funding over the next two years. But this was not accomplished by increasing current user fees or by developing a new revenue stream and thus diversifying the state's revenue base.

Instead it appears Wisconsin is largely bonding, with the general fund paying the expense of meeting growing transportation needs over the next two years.

These actions may have been the very best that could have been done in the extremely difficult situation imposed by Wisconsin's financial crisis. And they certainly move the ball forward in some aspects and avoid major disruptions in others. It's important to note, though, that this budget also shines a bright light on the fact that Wisconsin needs to bring clarity to the vision

we have for our transportation network moving forward. Collectively, Wisconsinites need to determine what it is we want and how we are going to pay for it in an ongoing, systematic way.

Our elected officials have kept us afloat during these tough times. Now it is up to all of us in the transportation community to draw the map and set sail toward a horizon we can actually see.

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## Appropriation Includes Transportation Provisions

The president recently signed into law an emergency appropriations bill to provide additional funding for the wars in Afghanistan and Iraq which also includes two transportation provisions. The first measure created an incentive program for motorists to trade in their old cars for new cars with better fuel efficiency. The other measure will allow large transit systems to use some stimulus funds to cover operating costs.

Under the Car Allowance Rebate System (CARS, also known as Cash-for-Clunkers), buyers can receive up to \$4,500 toward the purchase or lease of a new more fuel efficient car or truck given certain criteria. The car dealer will reduce the price of the vehicle by the appropriate rebate amount and receive reimbursement from the U.S. Department of Transportation (DOT). The rebate begins 30 days after the June 24th bill signing. The last day for the program will be November 1, 2009 or when DOT exhausts the funds set aside for the programs. Visit [www.cars.gov](http://www.cars.gov) for more information.

*Transportation Provision continued on page 3*

# Obama Plan to Shore Up Highway Trust Fund, Postpone Reauthorization

On the day House Transportation and Infrastructure chairman James Oberstar (D-MN) was scheduled to give the press a preview of his six-year, \$450 billion surface transportation reauthorization legislation, the Obama administration announced its preference for an 18-month extension of the existing program with certain program reforms and a cash infusion to shore up the Highway Trust Fund (HTF). Representative Oberstar and House transportation committee leadership quickly denounced the plan to delay the reauthorization. However, Oberstar's counterpart Environment and Public Works chairman Barbara Boxer (D-CA) issued a statement in support of the extension idea.

In spite of the administration's request, Chairman Oberstar went ahead and released his 775-page draft legislation called the Surface Transportation Authorization Act of 2009. The unnumbered draft bill was approved by the House Highways and Transit Subcommittee by voice vote and was favorably reported to the full Transportation and Infrastructure Committee. While Chairman Oberstar would like the full committee to mark up the bill in late July, that is unlikely given that the House Ways and Means Committee, the Democratic House leadership and the Obama administration have not come to an agreement on how to pay for the legislation.

## Obama Administration Proposal for Extension

On July 1st, the administration released an outline of its proposal that it is calling Stage 1 Reauthorization. The highlights of the plan are as follows:

- A general fund transfer of \$20 million to the HTF to keep the fund solvent through March 31, 2001.
- The general fund transfer will be "paid for" with undefined spending cuts and revenue increases over the next 10 years.

- In addition, the administration includes the following "down payments" on data-driven decision making, transparency and accountability:
  - » Improving state and Metropolitan Planning Organization (MPO) project evaluation capacity (cost: \$300 million)
  - » Improving project assessment tools (cost: \$10 million)
  - » Increasing transparency in state and local public reporting (cost: low)
- The administration would also like to include regional access and livability initiatives.

Even senators who are supportive of the idea of an extension have not been supportive of enacting reforms before the next reauthorization, instead expressing the desire for a "clean" continuing resolution.

Visit <http://transportation.house.gov/> to view the details of the Surface Transportation Authorization Act of 2009.

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*Transportation Provision continued from page 2*

The second provision included in the bill will allow transit systems in regions with populations greater than 200,000 to use up to 10 percent of their American Recovery and Reinvestment Act formula grants for operating costs. These funds were originally only to be used for capital expenditures such as new buses. Visit [www.fta.gov](http://www.fta.gov) for more information.

## Deficient Roadways Lead to Fatalities

According to a new study conducted by the Pacific Institute for Research and Evaluation (PIRE), more than half of U.S. highway fatalities are related to deficient roadway conditions. This is significantly more lethality than caused by drunk driving, speeding or the lack of seat belt usage.

The report titled “On a Crash Course: The Dangers and Health Cost of Deficient Roadways,” found that deficient roadway conditions contribute to more than 22,000 fatalities and cost the nation more than \$217 billion annually. This cost is more than three-and-one-half times the amount of money government at all levels invest annually in roadway improvements.

“Recent concerns about the swine flu pale in comparison to the number of crash victims I treat,” said Dr. Jared Goldberg, an emergency room physician in Alexandria Virginia. “In medical terms, highway fatalities and injuries have reached epidemic proportions, and efforts to prevent further spread of this plague are essential. In the absence of a true vaccine to defend ourselves, fixing dangerous roads would help prevent traffic crashes from occurring in the first place.”

The report identifies ways transportation officials can improve road conditions including replacing non-forgiving poles with breakaway poles, using brighter and more durable pavement markings, adding rumble strips to shoulders, mounting more guardrails or safety barriers and installing better signs. In addition, the report recommends significant road improvements such as widening shoulders, improving roadway alignment, replacing or widening narrow bridges, reducing pavement edges and abrupt drop offs and clearing more space adjacent to roadways.

Report authors acknowledge that “best safety practices” can mitigate some of the impacts of the nation’s aging roadways. However, Dr. Ted Miller, the principal study author says, “...avoiding those crashes through driver improvement requires reaching million of individuals and getting them

to sustain best safety practices. It is far more practical to make the roadway environment more forgiving and protective.”

Visit [www.pire.org](http://www.pire.org) to view the report.

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## Energy Bill Clears House

With a vote of 219 to 212, the House has passed an energy bill that would set tough new greenhouse-gas emissions standards for U.S. companies and mandate more use of renewable energy sources. The core of the bill is a “cap-and-trade” system for limiting emissions in which companies would buy and sell permits to meet emissions limits.

The controversial bill would require a reduction in greenhouse gas emissions by 3 percent over 2005 levels by 2012, 17 percent by 2020, 42 percent by 2030 and 83 percent by 2050.

Democrats argue that the bill will create jobs through new energy investments, but critics say it will be an onerous tax on companies and consumers. Both sides agree the legislation would lead to higher energy costs – including gas. But they disagree on the extent of the impact on consumers.

“This is a tax on anyone who drives a car, buys an American-made product, or flips on a light switch. It will drive up energy costs, send millions of jobs overseas to countries like China and India, and place an especially heavy burden on rural America,” House Minority Leader Boehner said in a press statement.

The U.S. Chamber of Commerce and many transportation groups are opposed to this legislation calling the bill a “national energy tax” that would increase the costs of fuel and energy.

## Guidelines for High-Speed Rail Released

The Federal Railroad Administration (FRA) has released guidelines for states and regions to apply for the \$8 billion in federal stimulus funds for intercity and high-speed rail. Several existing and new programs including an appropriation-driven program for capital assistance to states for intercity passenger rail programs given \$30 million in 2008 and \$90 million in 2009 and three programs established in the 2008 Amtrak authorization will be consolidated into this new program.

The FRA divides projects into the following four tracks:

Track 1: Ready to go projects that can be completed within two years of grant. Federal share: up to 100 percent. Funding source: \$8 billion in stimulus funds.

Track 2: Developing new high-speed rail corridors and intercity passenger rail or substantially upgraded existing corridors. Federal share: up to 100 percent. Funding source: \$8 billion in stimulus funds.

Track 3: Planning activities for future corridors. Federal share: up to 50 percent. Funding source: \$9.54 million in 2008-2009 appropriations.

Track 4: An alternative for projects that fit under Track 1 but offer at least 50 percent nonfederal share. Funding source: \$82.3 million in 2009 appropriations.

Initial applications are due by July 10th. Final applications are due August 24th for tracks 1, 3 and 4. The deadline is October 2nd for Track 2. The FRA plans to award first round grants by mid-September.

Proposals will be evaluated based on their ability to reduce congestion on highways and at airports and meet other environmental, energy and safety goals.

## Partnership for Sustainable Communities

U.S. Secretary of Transportation Ray LaHood (DOT), U.S. Secretary of Housing and Urban Development Shaun Donovan (HUD) and U.S. Environmental Protection Agency Administrator Lisa Jackson (EPA) announced an interagency Partnership for Sustainable Communities. The purpose of the partnership is to improve access to affordable housing, more transportation options and lower transportation costs while protecting the environment.

“Creating livable communities will result in improved quality of life for all Americans and create a more efficient and more accessible transportation network that serves the needs of individual communities. Fostering the concept of livability in transportation projects and programs will help America’s neighborhoods become safer, healthier and more vibrant,” said Secretary LaHood.

The announcement outlines the following six “livability principles” that will be used to coordinate federal transportation, environmental protection and housing investment:

1. Provide more transportation choices
2. Promote equitable, affordable housing
3. Enhance economic competitiveness
4. Support existing communities
5. Coordinate policies and leverage investment
6. Value communities and neighborhoods

This partnership builds upon an earlier announcement by HUD and DOT to implement joint housing and transportation initiatives.

# Transportation in the News

## Stimulus

Stimulus Projects Approved – The Joint Committee on Finance has approved the governor's proposal to fund 96 local road and bridge projects (\$79.6 million) and 17 transportation enhancements projects (\$11.6 million) with the remaining unallocated stimulus funds. These projects will be let in February 2010. Visit [http://www.legis.state.wi.us/lfb/Section1310/2009\\_06\\_30\\_DOT\\_4&5.pdf](http://www.legis.state.wi.us/lfb/Section1310/2009_06_30_DOT_4&5.pdf) to see the list of projects.

Stimulus Deadline – All 50 states have met the June 30th deadline for obligating at least 50 percent of their economic recovery dollars for road and bridges. At the end of June, 1,500 projects, which will support 50,000 jobs, were underway in 45 states.

## Other

AASHTO Finance Website – The AASHTO (American Association of State Highway and Transportation Officials) Center for Excellence in Project Finance has launched a new website to help state departments of transportation, metropolitan planning organizations and others find new potential sources of revenue. Established by congressional legislation in 2005, the AASHTO Center of Excellence in Project Finance provides transportation funding and financing tools, research services, technical assistance and professional education programs in conjunction with the Wharton School at the University of Pennsylvania. Visit [www.transportation-finance.org](http://www.transportation-finance.org) to view the site.

InfrastructureUSA.org – The site is an online community focusing on the national conversation about America's deteriorating infrastructure. InfrastructureUSA includes various reports, a blog, polls and opportunities for people and organizations to share pictures, stories and video about infrastructure in their communities. Visit [www.infrastructureusa.org](http://www.infrastructureusa.org).

Vehicle Miles Travelled – Vehicle Miles Travelled (VMT) is up for the first time in 16

months according to the Federal Highway Administration. April's VMT rose .6 percent versus April 2008. VMT began decreasing in December 2007, which is approximately the same time economists have estimated the recession began. Driving continued to decline in 2008 as gas reached \$4 a gallon. Year-to-date driving for the first quarter of 2009 is down 1.1 percent from a year ago.

Massachusetts – Lawmakers have sent Massachusetts Governor Deval Patrick a bill raising the state's sales tax from 5 percent to 6.25 percent with approximately one-third of the increase dedicated to transportation. The increase in the sales tax, if enacted, is projected to provide an additional \$275 million for transportation projects annually. The governor is expected to sign the legislation. Governor Patrick had proposed to increase the state's gas tax by 19-cents-per-gallon to address the backlog of transportation projects.

Minnesota – Minnesota officials are promoting telecommuting as a way to reduce roadway traffic. The state department of transportation is working with several partners and hopes to have at least 2,700 people signed up to telecommute at least once per week over the next year. Employers can apply for a pilot program offering free or discounted consulting services to implement a work-from-home program.

Virginia – Virginia's highway program has been cut again – reduced by one-third in two years. Stimulus funds will covers some but not all of the reduction in state transportation revenue brought on by the ailing economy. The chief financial officer for the Virginia Department of Transportation warns that further cuts may be necessary if revenue collections from motor-fuel sales continue to decline.

"We're back to basics," state Transportation Commissioner David S. Ekern said. "It's about pavements and bridges now. It's not about congestion. It's not about expansion."

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by changing the capital gains exemption in Wisconsin. Under the law at the time, 60 percent of capital gains was exempt. The governor's budget proposed to reduce that to 40 percent, and the Senate version eliminated the exemption entirely.

The Conference Committee did not revive the "oil company assessment". It changed the capital gains exemption to 30% and also deleted the provision which would have transferred \$140 million from the transportation fund to the general fund. In order to maintain the funding levels included in the Senate and Assembly versions, it appears, at this point, the committee kept the \$140 million in general obligation (GO) bonding that had been included to cover the transfer along with adding \$65 million in GO bonds for the highway rehabilitation program. The committee also transferred \$28 million from the petroleum inspection fund to the transportation fund and another \$9 million to the general fund.

The governor went along with the financing package that came out of the Conference Committee, signing it into law without vetoing any of these provisions.

### RTAs

As outlined in the May TDA Newsletter, the governor initially proposed creating an RTA in Dane County, Southeast Wisconsin (Milwaukee, Kenosha, eastern portion of Racine) and the Fox Valley (Outagamie, Calumet, Winnebago). As outlined in the June TDA Newsletter, the JFC nixed the Fox Valley RTA, and made changes to the Dane and Southeast RTAs.

After numerous iterations in the Senate, Assembly and Conference Committee – with the Fox Valley RTA bouncing in and out and the Chippewa Valley (Eau Claire and Chippewa ) and Chequamegon (Ashland and Bayfield) RTAs being added – the governor issued a number of vetoes affecting the RTAs.

Among some of the more notable vetoes were elimination of the Milwaukee County Transit

Authority and the ability to levy a .65 cent sales tax that went along with it. The governor also vetoed language allowing Dane County to use a portion of the sales tax revenue for roads and requiring Dane County to hold a binding referendum.

Statutory language permitting RTAs with sales tax authority is now on the books for Dane County, the Chippewa Valley and Chequamegon Bay. An RTA with the authority to increase the car rental fee exists for Southeast Wisconsin. The governor stated his disappointment that the Fox Valley RTA did not make it to his desk. He implored the legislature to work through separate legislation to find a regional solution for an RTA with sale tax authority for Southeast Wisconsin as well as a compromise on a Fox Valley RTA that he could sign into law.

### Other Policy

In addition, the governor vetoed language that would have prohibited counties from performing construction for private development. Members from groups representing local government, the private sector and labor have signed a Memorandum of Understanding (MOU), agreeing to sit down and work through the controversial issues that resulted in this proposed legislative language.

TDA will be producing a comprehensive summary of Act 28 as more information from the Legislative Fiscal Bureau is made available.

## Interesting News Coverage

The Kansas City Star June 28, 2009 – “Poll shows Kansans want road improvements” <http://www.kansascity.com/news/politics/story/1294623.html>

New York Times June 24, 2009 – “Airport projects delayed or canceled” [http://www.nytimes.com/2009/06/23/business/23airports.html?\\_r=1&partner=rss&emc=rss&pagewanted=all](http://www.nytimes.com/2009/06/23/business/23airports.html?_r=1&partner=rss&emc=rss&pagewanted=all)

National Journal.com June 22, 2009 – “What difference would an 18-month delay in reauthorization make?” <http://transportation.nationaljournal.com/2009/06/what-difference-would-an-18mon.php?rss=1>

CFIRE National Center for Freight & Infrastructure Research & Education – Summer 2009 Newsletter <http://www.wistrans.org/cfire/news/newsletter/Summer09.pdf>

## Association Notes

### TDA Golf Outing



Spend time networking with other transportation professionals while enjoying a summer afternoon on the golf course. Members are encouraged to bring guests.

**Thursday, July 30, 2009**  
after TDA Board Meeting

Tee times begin at 12:15 p.m.  
at the **Bridges Golf Course**  
in Madison

Visit the TDA website, [www.tdawisconsin.org](http://www.tdawisconsin.org) for event information and registration form.

### Save on AAA Membership, Auto & Home Insurance



Visit the AAA website for a listing of membership benefits. You'll also be eligible for high-quality auto and home insurance coverage through AAA at a discounted TDA group rate too. Keep in mind, even if you already have AAA membership or insurance through AAA, you can save even more under this group plan. Enrollment is convenient through a statewide network of AAA offices.

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To receive your AAA discount provide your AAA group number TRN003.

Join today and take advantage of the great benefits and savings.

### Save these Dates

- TDA Annual Meeting – October 1st

*Visit the events page on the TDA website, [www.tdawisconsin.org](http://www.tdawisconsin.org), for event details and any future changes in the schedule.*