



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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State DOT Budget Request, \$300 Million Shortfall

Departments recently submitted 2011-13 budget requests to the Department of Administration. Typically these requests would be of little significance given the change in leadership next January. However, the Department of Transportation budget request reveals a \$300 million shortfall in state revenue over the next biennium on top of a \$90 million shortfall in the current biennium.

According to an article in the Milwaukee Journal Sentinel, much of the hole in state transportation revenue is due to declining collections of the gas tax and vehicle registration fees.

“For Wisconsin, as our revenue estimate indicates, traditional revenue sources for transportation are not providing the natural

growth they once did”, Secretary Busalacchi stated in the budget request. “The same trend is occurring nationally – growth in gas tax revenues are holding steady at best, or declining. Long term national and state solutions are needed.”

The department proposes program cuts – primarily in the state highway rehabilitation program – in response to the reduced revenue.

The department is hoping the deficit in state revenue will be offset by increased federal funding, but this increase is far from a sure thing.

Links

- Budget Request: <http://www.dot.wisconsin.gov/about/docs/11-13budgetrequest.pdf>
 - Milwaukee Journal: <http://www.jsonline.com/news/statepolitics/111361754.html>
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Executive Perspective

By Craig Thompson, TDA Executive Director

Proposed Gas Tax Increase Fiscally Responsible

Last week the deficit-reduction plan considered by the National Commission on Fiscal Responsibility and Reform didn't get the 14 votes it needed to automatically advance to Congress. But it did get 11 votes, which means the plan gained the bipartisan support of 11 of the commission's 18 members.

The fact the plan didn't get quite enough votes reflects a fact we have all known for some time, which is that making the real decisions on reducing our nation's staggering deficit is and will continue to be extraordinarily difficult. So, while the deficit-reduction plan didn't get all the votes needed to move it to Capitol Hill, there certainly appears to be enough support for it to warrant further debate and consideration by Congress.

The plan's package of proposed spending cuts and tax increases aims to cut almost \$4 trillion from the deficit over the coming decade. While the proposal to increase the Social Security retirement age didn't shock most people who have been following our current deficit woes, the proposal to increase the federal gas tax by 15 cents and apply the money to transportation programs may have surprised many people.

The past two major deficit reduction efforts in the U.S. also involved raising the federal gas tax, but those measures used at least some of the money raised to reduce the federal general fund deficit. The first President Bush signed a 5 cent increase in the gas tax with half to be used for deficit reduction, and President Clinton signed a 4.3 cent increase in the gas tax with the entire amount to be used for deficit reduction. The revenue from these increases was eventually shifted back to the transportation fund.

This time around, many in the transportation industry were wary of any talk of a gas tax increase for fear that it would be siphoned off, again, to solve the deficit in the general fund.

So why has this current federal deficit reduction commission proposed to both increase the gas tax by 15 cents and dedicate the funds directly to transportation? One could argue that the commission members have simply read and listened to all of the recent reports calling for a gas tax increase to fix our crumbling infrastructure. More likely, though, because the commission's charge is to reduce the deficit, the commission's members understand that the Highway Trust Fund is being kept afloat with general fund spending, which is also known as deficit spending.

As a result, increasing the main transportation user fee in order to make the transportation fund self-sustaining is deficit reduction for the general fund. It should be noted, too, that the commission's proposal also included a prohibition on any further general fund spending on transportation, to go along with the user fee increase.

Former U.S. Senator Alan Simpson and Former Clinton Chief of Staff Erskine Bowles are serving as co-chairs of the commission. They and the members of the commission who voted in favor of this package should be commended for their willingness to address this vital issue in a sustainable way.

The co-chairs attempted to lay out exactly what is at stake in their preamble to the report. In it they state:

"Over the course of our deliberations, the urgency of our mission has become all the more apparent. The contagion of debt that began in Greece and continues to sweep through Europe shows us clearly that no economy will be immune. If the U.S. does not put its house in order, the reckoning will be sure and the devastation severe."

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Dean Haen New President of Transportation Development Association



Dean Haen is the new president of the Transportation Development Association of Wisconsin. Haen was elected the association's 34th president at its annual business meeting on October 19th and will serve for a term of one year.

Haen has been the Port Manager with Brown County Port and Solid Waste since 1998. He is responsible for overseeing the operation of the Port of Green Bay, serving as a common voice on local, state, and federal legislative, environmental and regulatory issues for 14 terminal operators. He is also responsible for economically developing the port through property acquisitions, cargo diversification, infrastructure improvements and other means.

Haen currently serves as vice president of the American Great Lakes Ports Association, and he served as president of the Wisconsin Commercial Ports Association from 2000-2009.

Haen joined the TDA board of directors in 2001, and in 2007, he was elected to the association's executive committee.

Haen is joined on TDA's 2011 executive committee by the following members:

- 1st vice president: Paul Halverson, Douglas

County Highway Department

- 2nd vice president: Steve Higgins, Payne & Dolan, Inc.
- secretary: John Schmitt, Wisconsin Laborers' District Council
- treasurer: Jeff Hanson, AECOM
- immediate past president: Richard Jones, City of Racine

A special thanks to Richard Jones for his dedication and service to TDA as president for 2010.

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As we all move forward, I hope our elected leaders will heed this grim warning and find a way to come together on the difficult but attainable measures that will allow the United States to avoid such a fate.

House Moves on Several Transportation Items

With the holiday break and year-end deadlines quickly approaching, Congress now appears ready to take care of all the outstanding transportation items with one continuing resolution.

The House has passed a continuing resolution (CR) to extend all appropriations for the support of the federal government through the end of fiscal year 2011. This includes funding for the U.S. Department of Transportation. The current continuing resolution funding the executive branch expires December 18th.

Attached to the continuing resolution is separate legislation to extend the surface transportation and aviation program authorizations through fiscal year 2011. Both authorization extensions currently expire December 31st.

The surface transportation programs would be extended at the same levels provided in the 2010 HIRE Act. This would provide \$41.1 billion for highways and \$10.7 billion for the Federal Transit Administration. The federal surface transportation programs have been operating under a series of short-term extensions since September 30, 2009.

Last week the House passed a separate piece of legislation to extend the expiring aviation authorization for three months, but now the House has moved for a nine-month extension. This will be the 17th short-term extension since the last multi-year Federal Aviation Administration bill expired September 30, 2007. Fiscal year 2011 funding for the Airport Improvement Program will remain at \$3.5 billion.

Democrats plan to amend the CR in the Senate into an omnibus appropriations bill – providing new funding levels for discretionary programs – that has been crafted by Senate Appropriations Committee Chairman Daniel Inouye (D-Hawaii).

The Obama Administration prefers passage of

an omnibus appropriations bill, but if Congress cannot come to an agreement on passage of an omnibus, the administration prefers a full-year continuing resolution to a short-term one. House Republicans want a short-term CR, which would allow them to reduce 2011 funding early next year.

Interesting Coverage

[Inboundlogistics.com: November 2010](#) – “Transport Funding: Who Gets the Big Piece of Pie? The U.S. Department of Transportation’s second round of stimulus funding for infrastructure development exposes a widening gap between U.S. roads, rails, and bridges and government special interests.” http://www.inboundlogistics.com/articles/features/1110_feature01.shtml

[New York Times: November 17, 2010](#) – “Midterms threaten Obama’s rail plans” http://www.nytimes.com/2010/11/18/us/18rail.html?_r=1

[TransportationNation.org: November 26, 2010](#) – “Norm Mineta, former secretary of transportation, ‘roads and highways’ top transportation priority, defends earmarks, questions some defense spending” <http://transportationnation.org/2010/11/26/norm-mineta-former-sec-of-transportation-roads-and-highways-top-transportation-priority-defends-earmarks-questions-some-defense-spending/>

Association Notes

21st Annual Fly-in

March 30th-31st

Please participate to show your support for Wisconsin transportation.

With the economy still recovering, you might be questioning whether you really need to go on the Fly-in this year. The answer is YES. With the uncertain political and economic climate, there are important reasons you shouldn't forgo your annual investment in the TDA Fly-in. Visit the TDA website, www.tdawisconsin.org, for just some of the reasons and event details.

The registration deadline is January 21, 2011.

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



Happy Holidays



TDA Staff Wishes You and Your Family a Safe and Happy Holiday Season.

TDA Welcomes a New Member

SRF Consulting Group, Inc.
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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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