



Issue 0111
January 9, 2011

Spotlight House Approved Rule Change Makes Funding Uncertain

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The House of Representatives recently adopted a rule change that repeals the guarantee of minimum spending levels that was established in House rule XXI by the 1998 TEA21 law and extended by the 2005 SAFETEA-LU law. This will make it easier for the Congress to reduce highway and transit spending below authorized levels.

The 1998 TEA21 budget guarantees were the culmination of a decade long debate over whether or not the Highway Trust Fund should be off budget. The controversy was fueled by the belief that appropriators had systematically funded highway and transit spending well below gas tax receipt levels for years in order to allow the trust fund balance to build up and mask the true size of the deficit.

Supporters of the rule change say the provision is necessary to prevent the government from being forced to spend more on surface transportation programs than the Highway Trust Fund collects. Guaranteed spending has been higher than actual Highway Trust Fund receipts for many years leading to \$34.5 billion in transfers from the general fund over the last three years. Currently, guaranteed funding is approximately 40 percent higher than receipts.

Opponents point out that the change will leave states uncertain as to the amount of federal funding to expect in the future. This combined with already shaky state finances may lead to the postponement of many necessary transportation infrastructure improvements and drive construction industry unemployment even higher. In a [letter](#) to House leadership a group of over 20 concerned organizations summed it up this way, "Given these realities, the focus of the 112th Congress should be on enactment of a robust, multi-year reauthorization of the federal surface transportation program that creates jobs and boosts the economy, not on procedural maneuvers that will make it easier to cut highway investment."

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Executive Perspective House Rule Change Misses the Mark

By Craig Thompson TDA Executive Director

The vision that built the world's greatest transportation network – which, in turn, fueled the world's greatest economic engine – is adrift. Transportation policy has lost focus and the nation's entire transportation program is broken.

Unfortunately, a vote by the new Republican majority of the 112th Congress to change House rules regarding highway and transit funding is not going to help, in that it accommodates this sad state of affairs rather than rectifies it.

Our poorly defined priorities have spawned a national transportation program that has become more political than analytical. As a result, user fees have remained stagnant for nearly two decades and the segregated Highway Trust Fund has come to rely on infusions of money from the general

fund over the past several years in an effort to simply tread water.

The current situation certainly is not sustainable, nor is it a responsible plan for the future of transportation or the economy. What is needed is a new vision that restores public confidence and offers a clear plan for the future. Simply voting to eradicate a rule that had guaranteed levels of funding throughout the reauthorization period, as the 112th Congress has done, does nothing to advance transportation or economic policy.

The rule in question was put in place in the late 1990s in response to a common practice by the appropriations committees to approve spending from the Highway Trust Fund that was less than the user fee revenues coming in. Politicians did this to make the overall deficit appear smaller than it really was. This practice masked the true size and scope of the nation's budget deficit and hurt transportation.

In order to stop this practice, Congress created a rule to "firewall" the Highway Trust Fund. The rule guaranteed that annual highway and transit funding would equal the user-fee revenues coming in each year. They adopted an estimate of each year's revenue from user fees and guaranteed those same total amounts in highway and transit spending for each year of the reauthorization.

The revenue estimates have been significantly high over the course of the authorization and beyond. Because the surplus in the Highway Trust Fund is gone, Congress has used general funds to meet these guaranteed levels.

Those that decry the use of general fund revenues for transportation are correct. Our transportation infrastructure should be funded by users of the system. Just changing the rules to stop the guarantees will do nothing, however, to address the true problem.

The recent proposal by the President's deficit reduction commission acknowledged that deficit spending on transportation was unsustainable as well, but the commission members offer a different solution. They propose a fifteen-cent increase in the gas tax and then prohibiting any future general fund dollars from going into the Highway Trust Fund.

As president, Ronald Reagan took a similar approach in 1982. While he fought to lower the burden of federal taxation in order to spur economic growth, he simultaneously fought to increase transportation user fees. In fact, President Reagan successfully made the case for doubling the federal gas tax. He clearly understood that our economic competitiveness depends to a great extent on how efficiently we move goods and people.

The nation's largest business group understands the same imperative today. The U.S. Chamber of Commerce is calling on Congress and President Obama to increase the federal user fees for transportation in order to improve the network on which businesses rely. The Chamber has even produced a Transportation Performance Index, which empirically demonstrates the correlation between the condition of our transportation systems and the nation's Gross Domestic Product (GDP).

The United States needs this type of leadership from our elected representatives. Yes, we must stop deficit spending to keep our transportation system afloat. But we need more than a shortsighted rule change. We need a plan. And we need leaders who will advocate for that plan and for the appropriate and modern user fees that will allow us to implement that plan.



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News

Gottlieb New Secretary of WisDOT

Mark Gottlieb has been named by Governor Scott Walker to be the secretary of the Wisconsin Department of Transportation (WisDOT).

Gottlieb was born and raised in Milwaukee. He served in the U.S. Navy and has a bachelor's and master's degree in civil engineering from the University of Wisconsin-Milwaukee.

In addition to his work as a professional engineer, Gottlieb has held elected office at both the state and local level. He was an alderman for the city of Port Washington prior to serving as mayor. In November of 2002, he was elected to the Wisconsin State Assembly, where he served until his recent appointment.



While in the legislature, Gottlieb has been a champion for transportation issues. He served as co-chair of the Legislature's "Road to the Future" Committee, which identified funding shortfalls for roads and transit, was the lead author of legislation to constitutionally protect the state's segregated transportation fund and was as a member of the Transportation Projects Commission.

In a message to his new colleagues at WisDOT Gottlieb stated, "I am honored to serve in this position and grateful that Governor Scott Walker has given me this opportunity. A well-balanced and efficient transportation system is a vital component of the Governor's plan to create jobs and grow our economy. Working together, I'm confident we can achieve those goals".

Filling out the rest of the executive management team at WisDOT:

- Mike Berg, Deputy Secretary. Berg formerly served as director of WisDOT's Northeast Region.
- Reggie Newson, Executive Assistant. Newson was the Southeast Region's operations manager.

TDA looks forward to working closely with this new team at WisDOT to improve Wisconsin's transportation network.



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Congress Extends Government Funding and Surface Authorization

The Congress closed out 2010 with a flurry of activity, including the approval of a bill to extend funding for the U.S. Department of Transportation and other government agencies as well as the authorization of federal highway and transit programs through March 4, 2011. The bill which maintains 2010 fiscal year funding for most government programs was signed into law by President Obama signed on December 22nd.

The House had previously voted to extend appropriations and the surface transportation authorization through the end of the fiscal year, September 30, 2011. However, the time frame for the continuing resolution was shortened when there were not enough votes in the Senate to move forward with a full-year omnibus appropriations package.

This is the sixth short-term extension of the surface transportation reauthorization since it expired September 30, 2009.



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FAA Reauthorization Extended Again

President Obama signed on December 22nd legislation to extend though March 31, 2011 all aviation taxes and the Federal Aviation Administration's (FAA) authority to spend money from the Airport and Airway Trust Fund.

A long-term reauthorization of the FAA has been stalled in the Congress for several years. This is the 17th short-term extension of the aviation program since the authorization expired in September of 2007.



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DNR Proposes Change to Ballast Water Rules

The Wisconsin Department of Natural Resources (DNR) has proposed a change to ballast water regulations for ocean-going ships on the Great Lakes and will hold a public hearing on January 26th in Superior.

Ballast water is carried in unladen ships to provide stability on the open seas and is discharged in exchange for cargo once at port. Contaminated ballast water has been blamed for the spread of invasive species which leads to the decline of native fish, an increase in algae and a host of other environmental problems. The Great Lakes are currently home to more than 180 foreign species.

In November of 2009, the DNR issued a state ballast water discharge general permit with the effective date of February 1, 2010. The permit included several actions to reduce the spread of invasive species. Specifically, the permit proposed a standard 100 times more restrictive than the standard required by the International Maritime Organization (IMO). Assuming commercially viable technology, the new standard would have applied to new ocean-going ships built after January 1, 2012 and existing ships after 2014.

The DNR working with a group of experts from academia, government, the shipping industry, testing facilities, treatment vendors and nonprofit organizations has concluded that technology does not yet exist to verify whether a treatment system can rid ballast water of organisms effectively enough to meet Wisconsin's standard. Accordingly, the proposed permit change would set ballast water discharge standards to those required by the IMO.

TDA and shipping interests have long acknowledged the serious problem of invasive species and have advocated for federal legislation establishing consistent national standards - rather than a patchwork of state laws and regulations - and a federal research program to develop ballast-water treatment technology. However, Congress has been slow to act.



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Wisconsin Legislature Committee Assignments Announced

Committee assignments have been announced. Below are listed the members of the Senate and Assembly transportation committees:

Senate Transportation & Elections Committee

Republicans: Chair Mary Lazich (New Berlin), Joe Leibham (Sheboygan), Frank Lasee (DePere)
Democrats: Jon Erpenbach (Wauwaukee) and Spencer Coggs (Milwaukee)

Assembly Transportation Committee

Republicans: Chair Jerry Petrowski (Marathon), Paul Farrow (Pewaukee), Al Ott (Forest Junction), Jeff Stone (Greendale), Karl Van Roy (Green Bay), Mark Honadel (South Milwaukee), Keith Ripp (Lodi), Mike Endsley (Sheboygan) and Joe Knilans (Janesville)
Democrats: John Steinbrink (Pleasant Prairie), Amy Sue Vruwink (Milladore), Penny Bernard Schaber (Appleton), Andy Jorgensen (Fort Atkinson), Janet Bewley (Ashland), and Brett Hulsey (Madison)

For information on other committee assignments visit legis.wisconsin.gov.



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Interesting News Coverage

[Wall Street Journal: January 6, 2011](#) – “Old locks jam river traffic, delays on the water hurt shippers, push prices up as renovation efforts stall”

[railway-technology.com: December 15, 2010](#) – “Making tracks: A new era for U.S. freight”

[Wall Street Journal: December 14, 2010](#) – “Crucial trade waterway under threat, funds to dredge the Mississippi grow scarce, spurring a coalition of shippers, states, ports into action”

[USA Today: December 21, 2010](#) – “States prepare new ways to tackle wintry roads”

[AP News Service: December 20, 2010](#) – “U.S. gas demand should fall for good after '06 peak”

[CFIRE News](#), fall edition, is now available.



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Transportation in the News

Intercity Bus Ridership – For the third year in a row intercity bus service was the fastest growing mode of intercity transportation, outpacing air and rail transportation. According to a report issued by the DePaul University Chaddick School for Metropolitan Development, intercity bus travel continued to grow in 2010 due to rising travel demand, escalating fuel prices and the development of new routes.

Nebraska – Senator Deb Fischer, chairwoman of Nebraska legislature’s Transportation and Telecommunication Committee plans to introduce legislation to direct half a cent of the state’s sales tax, beginning in 2013, to highway construction. Under Fischer’s plan, the half cent of sales tax – approximately \$125 million annually – would be put in a newly created highway capital improvement fund. The plan would also allow a share – \$20 million a year – to go to cities and counties to help ease the pressure on local property taxes for roads. The proposed two year delay would allow the state to recover from the recession. Nebraska is facing a \$968 million revenue shortfall in the next two-year budget cycle.

Oregon – Oregon’s gas tax increased six cents on January 1st. This increase, along with some higher automobile registration fees, is expected to generate an additional \$300 million for highway and bridge projects in 2011. This is the state’s first gas tax increase since 1993. The legislature passed the 25 percent increase in the gas tax in 2009, making the state’s gas tax 30 cents per gallon starting in 2011. Opponents tried, but failed, to get enough signatures to put the repeal of the gas tax increase on the November ballot.



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TDA Welcomes New Members

[Aegis Corporation](#)

[Bicycle Federation of Wisconsin](#)



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2011 TDA Fly-in to Washington, D.C.

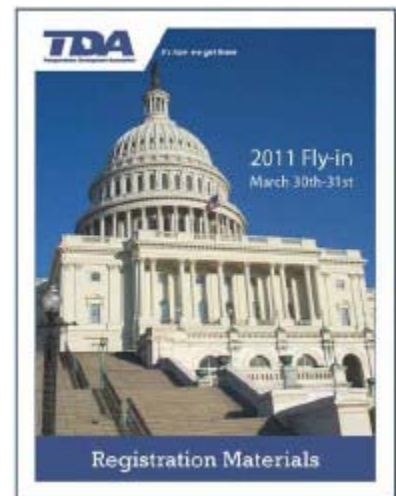
21st Annual Fly-in March 30th-31st

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.

[Click here](#) for just some of the reasons and event details.

The registration deadline is January 21, 2011.



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Calendar of Events

Wisconsin Transportation Reception during the TRB Annual Meeting – Sunday, January 23rd at the Marriott Wardman Park Hotel in Washington, D.C. [Click here](#) for more information.

WCPA 2011 Annual Concrete Pavement Workshop – February 9th & 10th in Appleton, WI. [Click here](#) for more information or to register.

TDA Fly-in to Washington, D.C. – March 30th-31st. [Click here](#) for event information and a registration form. Don't wait. Reservations are due by January 21, 2011.

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.



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