



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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Surface Transportation Authorization and Appropriations Extended Again

Congress sent to President Obama a continuing resolution (CR) to extend the current surface transportation authorization and transportation spending authority through December 18th. The previous CR expired Saturday, October 31st.

During the last week of October, the Senate had moved away from an 18-month surface transportation extension favored by the Obama Administration and pursued a six-month measure to extend authorization through April 30th. Efforts to obtain unanimous consent to take up the bill on the Senate floor were not successful.

House Transportation and Infrastructure

Chairman Oberstar has pushed to pass a multi-year authorization in the current year and focused all efforts on that goal. However, with the limited number of session days remaining until the end of the year, another short-term extension through sometime next spring is likely.

The last surface transportation authorization bill, SAFETEA-LU, expired September 30, 2009.



*Happy
Thanksgiving*

Executive Perspective

By Craig Thompson, TDA Executive Director

Time to Restore Integrity to Wisconsin's Budget

During the upcoming year Wisconsin citizens will see, hear and read an ever-increasing number of messages about our state's next gubernatorial election. From debates and forums to articles, blogs, call-in shows and direct-mail brochures – and, of course, paid advertisements in all forms of media – every message will attempt to influence voters as to who should be the next governor of the state of Wisconsin.

With Governor Doyle announcing that he will not seek a third term, Wisconsin will have an open gubernatorial race for the first time in more than 25 years. And with neither political party having an incumbent on the ballot, each candidate will have to start from scratch and convince voters that he or she has the proper ideas and temperament to lead Wisconsin through these extremely difficult financial times.

This presents a tremendous opportunity for the transportation community. Jobs and the economy are unquestionably going to be the top issue on voters' minds. We know – all too well – the inextricable link between a healthy transportation system and jobs and a healthy economy. We must all work to ensure that each candidate's position on transportation and transportation funding is clearly articulated and understood.

Those of us in the transportation community are also keenly aware that recent blows to the integrity of the segregated transportation fund have eroded the public's confidence in genuinely addressing our transportation challenges. Attacks on the fund have also provided convenient excuses for those not willing to finance much-needed transportation initiatives.

This upcoming election provides the perfect opportunity for candidates for governor, as well as for legislative candidates, to clearly state their positions on the integrity of the segregated transportation fund. With the commitment of our

incoming state lawmakers, we could give the citizens of Wisconsin the ability to amend the state's constitution and protect the segregated transportation fund from any further raids.

We should also keep in mind that, as we ask each candidate for his or her clear position regarding such a constitutional amendment, there is even more at stake than the health of the transportation fund. Protecting the fund also directly impacts the overall health of Wisconsin's general fund. In fact, Wisconsin has transferred \$1.2 billion out of the segregated transportation fund since 2003 and replaced a portion of those funds, approximately \$800 million, with General Obligation (GO) bonds.

Has any of this benefited the health of the state's general fund? I would say the answer to that question is an unequivocal "No." Wisconsin currently has one of the largest per-capita deficits in the country. Last November, CNN issued a state-by-state report on bond ratings: Wisconsin's GO bond rating tied for third-worst in the nation and received a negative outlook. Taking money from the segregated transportation fund has not helped the health of Wisconsin's general fund. In fact, this budget gimmick has damaged the transportation fund, the general fund and the public's trust.

We need to use the coming 12 months to ensure that the next set of policymakers in Madison will tackle our serious financial problems with real solutions and not make the situation worse with additional transfers. One way to garner more than a vague campaign pledge from Wisconsin candidates is to specifically ask for support of a constitutional amendment to protect the transportation fund. Other states in the Midwest and throughout the country have passed such constitutional protections. It's high time for Wisconsin to do so as well.

Durbin Proposes Advancing Investment

With Congress unwilling to raise revenue during a weak economy, some – including the American Association of State Highway and Transportation Officials (AASHTO) – are looking at “creative” ways to sustain or increase existing highway and transit investment to support the national economic recovery.

“There are creative ways to structure the authorization so that these projects can be launched, while deferring the impacts of revenue increases until the economy is stronger. For example, Oregon just did so by enacting a revenue increase that kicks in after a certain period of economic growth,” said John Horsley, AASHTO executive director.

Senator Durbin (D-IL) recently floated his “front-loaded” plan to boost surface transportation spending. He suggests a compromise that would delay full consideration of the multi-year renewal for surface transportation programs but advance a significant amount of investment into 2010. The plan would essentially borrow money from the multi-year program before it is finalized.

The appeal of the plan is that it would allow Congress to pump transportation investment, hopefully creating jobs in an election year, while delaying the tough decision on how to pay for surface transportation reauthorization until after the mid-term elections, when the economy might be more stable.

Durbin had previously gone on record advocating for passage of a new surface transportation authorization bill early next year and urging Congress to consider increasing the gas tax as a way to pay for it.

State Tax Collections Take Record Plunge

Tax revenue collected by the states for the April-to-June 2009 time period dropped sharply as compared to the same time period a year ago. This is the second consecutive quarter with a record breaking decline in revenue.

According to a report on state revenue collections issued by the Rockefeller Institute of Government, second quarter 2009 revenue, when compared to the same period in 2008, dropped a record 16.6 percent. All states but one saw total revenue decline – 36 states reported double-digit decreases. For the year ending June 2009, total state tax collections declined by 8.2 percent.

Preliminary data for the July-September quarter suggest that fiscal conditions continue to be extremely weak. With data for July and August for 36 states, tax revenue for the two months is 8 percent lower than revenue for the same period last year.

Wisconsin Releases Tax Collection Results for July-September

At the end of October, the Department of Revenue announced tax collections for the July-September time period. In total, general purpose revenue collections decreased 7.9 percent. Individual income tax and general sales and use tax decreased 8.1 percent and 8.7 percent, respectively. Corporate tax collections increased 9.2 percent.

2009 Federal Deficit 10 Percent of GDP

Final numbers released by the Treasury Department and the Office of Management and Budget (OMB) peg the unified federal deficit for the fiscal year 2009 at \$1.417 trillion. This amount represents 10 percent of the gross domestic product (GDP) of the United States – a post WWII record.

Deficit continued on page 4

Proposed Milwaukee County Wheel Tax

The Milwaukee County Board's budget committee has issued its version of a 2010 budget. Included in the budget is a new \$20 vehicle registration fee, also known as a wheel tax, to pay for transit. The fee would be in addition to state and the City of Milwaukee registration fees. If approved, the wheel tax would generate \$9 million a year. The fee is intended to be a temporary source of revenue until the state grants the county the authority to collect another source of dedicated funding for transit, such as a .5 percent county sales tax.

Getting a majority of the county board to support the wheel tax will probably be tough, but without the wheel tax, more of the budget burden will have to be put on the property tax. Milwaukee County Executive Scott Walker has threatened to veto the wheel tax.

The full board is scheduled to vote on the budget November 9th.

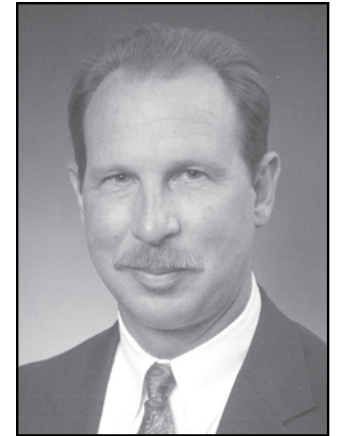
Deficit continued from page 3

Federal tax receipts dropped 16.6 percent from FY 08 levels, while spending increased by 18.3 percent.

These results were not unexpected given the state of the economy. Looking to present some good news, the Treasury Secretary and the director of OMB pointed out that the deficit number is significantly lower than the forecast made just a couple months ago in the OMB mid-session review.

Richard Jones New TDA President

Richard Jones is the new president of the Transportation Development Association of Wisconsin (TDA). Jones was elected the association's 33rd president at its annual business meeting on October 1st and will serve for a term of one year.



Jones is the Commissioner of Public Works for the City of Racine. He began working for the City in 1980 and has been the commissioner since 1993. Mr. Jones is a past president of Wisconsin's Local Road and Street Council and is an active member of the American Public Works Association (APWA), the American Road & Transportation Builders Association (ARTBA) and the National Society of Professional Engineers (NSPE).

Jones has been a long-time TDA event participant and joined the board of directors in 2005. In 2007, Jones was elected to the executive committee as 2nd vice president.

Jones is joined on TDA's 2010 executive committee by the following members:

- 1st vice president: Dean Haen, Wisconsin Commercial Ports Association
- 2nd vice president: Tom Fisher, Wisconsin Laborers' District Council
- secretary: Paul Halverson, Douglas County
- treasurer: Steve Higgins, Payne & Dolan, Inc.
- immediate past president: Phil Ramlet, OMNNI Associates, Inc.

A special thanks to Phil Ramlet for his dedication and service to TDA as president for 2009.

TDA Celebrates Freight Rail Week

Governor Jim Doyle officially proclaimed October 19-25 as Wisconsin Freight Rail Week. In his proclamation, Governor Doyle saluted the 12 railroads that serve Wisconsin - including four major (Class I) railroads - and he honored freight rail for contributing to the state's economy, environment and quality of life. The proclamation included a special acknowledgment of the third annual Wisconsin Freight Railroad Day, which was hosted by Wisconsin railroads on October 21st in Madison.

The Transportation Development Association of Wisconsin promoted Wisconsin Freight Rail Week by publicizing the key role that railroads play in the state's economy. "Freight rail not only provides a low-cost alternative to over-the-road transport of commodities that are essential to many industries in Wisconsin," says TDA executive director Craig Thompson, "it is also an important partner in Wisconsin's efforts to bring high-speed passenger rail to the state."

Freight rail is often a more efficient way to ship a wide variety of commodities, especially when cost savings and environmental benefits are considered. One intermodal train can carry 280 truck trailers, for example, which is the equivalent of more than 1,000 automobiles. In Wisconsin, freight railroads move more than 150 million tons of cargo annually, valued at more than \$4 billion.

Visit TDA's website, www.tdawisconsin.org, for more information on Wisconsin Freight Rail Week, including a copy of the governor's proclamation.

Transportation in the News

California – The San Francisco Bay area is planning to convert nearly all of its 450 miles of carpool lanes to High Occupancy Toll lanes (HOT lanes), with another 350 miles of express lanes to be added later. The HOT lanes will be restricted to carpools and toll-paying solo motorists. The cost to use the express lane will be collected electronically. When completed, the Bay Area will have more HOT lanes than any other region in the country.

Minnesota – Minnesota transportation officials are working to develop a formal method for the state and private companies to work together to fund road projects. Businesses that contribute to the projects they want built will likely see them done faster. As an example, United Health Group will put \$5 million into an \$18 million interchange reconstruction near the insurance company's Minnetonka campus. Cost-sharing is not new, and Governor Pawlenty disputed that it would allow deep-pocketed interest to buy their way up the priority list.

Virginia – Virginia Railway Express (VRE) has chosen a French railway company, Keolis Rail Services America, to operate its commuter trains instead of Amtrak. Keolis is an offshoot of the French company that runs that country's railways. This represents the company's entry into U.S. rail operations. The board of the commuter train agency voted to award a five-year contract with two optional renewals for up to 15 years. VRE expects the contract to not only save money but also improve operations. The contract still needs to be approved by two regional commissions. Amtrak has run and maintained VRE trains since service began.



Interesting New Coverage Association Notes

Milwaukee Journal Sentinel November 1, 2009
– “Big changes in the air for Mitchell travelers”
<http://www.jsonline.com/business/68119802.html>

New York Times October 22, 2009 – “High-speed rail effort proceeds with caution” <http://www.nytimes.com/gwire/2009/10/22/22greenwire-high-speed-rail-effort-proceeds-with-caution-77408.html?pagewanted=1>

USA Today October 16, 2009 – “Airline forecast: even fewer passengers in 2010” http://www.usatoday.com/travel/flights/2009-10-15-airlinewoes15_ST_N.htm

Calendar of Events

American Road & Transportation Builders Association (ARTBA) Regional Meeting – December 10th in Chicago, Illinois. This is a one-day session to feature federal legislative and regulatory reports and discussion on key regional transportation projects. Visit www.artba.org for more information and to register.

Save these Dates

2010 TDA Fly-in

March 10th-11th

Registration materials will be emailed by mid-November.

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

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