



Doug Rose of the Maryland State Highway Administration (MSHA) noted that our last issue of the Tom Warne Report listed Jerome Williams and the MSHA as the agency that was going to allow their consultants to hire their own auditors. In fact, the story is really about the Rhode Island Department of Transportation and their outgoing director. Our apologies to all involved for this mistaken identity. Thanks to Doug for keeping track of us. TW

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Inland Projects Advance with Prop.1B Funding

The Press Enterprise - March 10, 2008

California - The California Transportation Commission staff have recommended nearly 80 projects, worth more than \$3 billion, to receive Proposition 1B funding--almost \$1 billion more than originally anticipated. The Inland area fared well in the recommendations, with all 13 of Riverside County's requests included, and San Bernardino received 11 of their top 12 funding requests.

"It is very encouraging," said Jeff Stone, chairman of the Riverside County Transportation Commission. "Certainly these recommendations will carry a lot of weight when it goes to the state Legislature." The projects will be funded by the voter-approved \$19.9 billion transportation Proposition 1B.

Two top-priority projects for the San Bernardino Associated Governments' were recommended for full funding: widening I-15 and I-215 in Devore and interchange improvements on I-10 between Rialto and Fontana. The staff proposal also recommends funding seven of eight railroad-crossing projects on SANBAG's wish list.

"I'm extremely pleased that we've done that well," said Barstow Mayor Lawrence Dale, president of the SANBAG board. "We were hopeful that we would get funding for our projects."

The full commission will meet on April 10 to decide which projects to fund.

Mass Transit Ridership Hits Record High

Philadelphia Inquirer, PA - Mar 11, 2008

NEW YORK – U.S. mass transit ridership hit a 50-year high last year as crowded roads and high gas prices drove more people to use subways, buses and commuter trains, the American Public Transportation Association reported this week. Americans took nearly 10.3 billion trips on public transportation last year – a 2.1 percent increase since 2006, the association, which acts as an industry advocate, said in a statement.

Transit agencies across the nation are being forced to increase fares to fund improvements and expansions as a result of the record ridership caused by more highway congestion and increasing gas prices. The Washington-based association's president William W. Millar urged the federal government to assist the transportation system.

"With gas prices predicted to rise to \$4 a gallon, there is a greater urgency for higher federal funding to expand U.S. public transportation systems so Americans have an affordable transportation choice," said Millar.

Kansas City Debates Bus Tax

Kansas City Star - March 11, 2008

Missouri - The campaign to renew Kansas City's bus tax has become two fold: reject the tax because it should be part of a larger transportation plan including light rail, or support the tax because it is a vital service. Kansas City Councilman Ed Ford supports the three-eighths cent tax and believes the tax has the best chance of passing if it isn't linked with rail, and that putting two tax initiatives on the ballot – one for buses and one for rail – could kill both.

"We have a better chance for success if we separate out the issues," said Ford. "When you have two issues like that on the ballot, people seem to want to choose one or the other. That wouldn't help either issue."

The only organized opposition to the tax renewal so far is from a coalition of architects at AIA Kansas City, who think the city is ruining any momentum for rail with a separate bus tax vote. The American Institute of Architects says the city needs a broader, comprehensive transportation

network, and that a separate vote on buses could make them a target for light rail supporters who are angry with the City Council for repealing last year's flawed transit plan after it won at the polls. "I worry very much about a protest vote," said Kevin Klinkenberg, secretary for AIA.

Little Bay Bridge Plans Outlined

Foster's Daily Democrat, NH - Mar 10, 2008

PORTSMOUTH – Transportation officials have announced a tentative timeline for the Little Bay Bridge project in New Hampshire, including plans for construction and traffic implementation. The \$236.2 million project will reconstruct and widen the 3.5-mile span to four lanes in each direction, with three general-purpose lanes and one auxiliary lane.

Project Manager Christopher Waszczuk of the New Hampshire Department of Transportation told commissioners at a recent Economic Development Commission meeting that the department plans to begin advertising some aspects of the project by 2010, with project completion planned for 2016.

Approximately \$150 million Turnpike Capital Funds and three federal earmarks totaling \$28 million will fund construction of the project. The Turnpike Program will be required to fund an additional \$86 million to complete the project's construction, said Waszczuk.

Tolls Coming to W. Virginia

Hagerstown Morning Herald, MD - Mar 10, 2008

CHARLESTOWN, W. Va. – A controversial proposal to allow tolls on West Virginia highways passed during the final moments of the state legislative session, despite attempts by two Eastern Panhandle lawmakers to postpone the bill or put restrictions on it.

Eastern Panhandle senators called the idea, supported by Gov. Joe Manchin, a way of "looking to the Eastern Panhandle as an ATM machine," according to Sen. John Unger. He and Sen. John Yoder pushed to include a provision to keep any money collected through local tolls in the Eastern Panhandle.

In the end, the only condition placed on the bill is that all toll proposals must obtain approval from the governor and the Legislature. While no specific highways were targeted under the bill, Sen. John Yoder said he has heard from state officials that preliminary studies show tolls are viable for U.S. 522, U.S. 340 and W.Va. 9. With the short five-year lifespan of the bill, Yoder said state officials need to act "fairly quickly" to implement tolls on highways. A contract would then detail how long the tolls would remain in place.

The plan also allows roads to be sold to a company, which would subsequently receive revenue from the toll operations, Yoder said. Proceeds from the sale could be used for state road projects.

Georgia Bills Seek Funding Relief

Landline Magazine – March 11, 2008

Georgia - The Georgia General Assembly is seeking to transform transportation funding with several measures that would help ease a \$7.7 billion transportation-funding deficit. A group of bills to boost road funding have been approved by their originating chamber and are moving on to the other side of the statehouse.

One such legislation advancing from the Senate to the House is a state constitutional amendment that would allow a county or group of counties to request an additional 1 percent sales tax for transportation projects from voters.

A rival effort that passed the House Transportation Committee would send a 1 percent statewide sales tax dedicated to highway and transit projects on the general election ballot. The resolution would require a list of projects be provided to voters, and 80 percent of the revenue generated would be directed to the counties that impose the sales tax. The remaining 20 percent would go to the Georgia Department of Transportation, ten percent of which would be dedicated to transit.

Numerous other bills include ideas such instituting a congestion relief fund, increasing requirements on GDOT for projects over \$10 million, creating a state transportation infrastructure bank, and establishing minimum requirements for design-build projects, requiring 5 percent of all construction contracts to use design-build by 2010, and doubling to at least 10 percent by 2012.



This pattern is occurring all over the country. Revenues are raised from locally approved tax measures—usually a sales tax. A list of projects is published so the public knows what they are getting. The list usually is broad enough to garner support from enough legislators to get the statute in place (known as Christmas treeing). Timeframes for delivery are usually included. While no measure is guaranteed passage (note the failure of the RTID vote in Puget Sound, see Tom Warne Report, [Volume 4, No. 42, November 9, 2007](#)) this formula has worked time and time again. TW

House Panel Approves Gas Tax Increase Strategy

Louisville Courier-Journal, KY - Mar 12, 2008

Kentucky - The Kentucky House budget committee passed a package of tax increases this week including an element that could result in more frequent gas tax increases beginning in 2010. The two measures – a tax bill and a budget bill for the next two fiscal years – would use the added revenue to cover holes in Gov. Beshear's budget proposal.

Current laws for Kentucky's 21-cent gas tax allow the largest part of the tax (14.6 cents) pegged to the wholesale price of gasoline to be recalculated once a year to be increased no more than 10 percent each time. It can also be reduced. The committee has proposed to allow this part of the tax to be recalculated each quarter, or four times per year, with a ten percent increase permitted each time.

"That has the potential of quadrupling the increases in the gas tax for any 12-month period," said Rep. Scott Brinkman, R-Louisville. But he added that he voted in favor of the bill, because he "didn't come here to participate in a regression of our society."

The committee bill also gives authority for \$500 million in bonds to pay for road projects.

Biodiesel Tax Break Signed into Law in S.D.

Sioux City Journal, IA - Mar 11, 2008

South Dakota - The governor of South Dakota signed a bill into law this week that will cut the tax on biodiesel fuel in the state. The bill institutes a 2-cent per gallon tax cut for nearly 40 million gallons of taxable biodiesel fuel blended with a minimum of 5 percent biodiesel.

Governor Mike Rounds said that "as diesel costs continue to skyrocket, this tax break will help ease the pain at the pump for consumers, while helping to develop our state's biodiesel industry." The cost of diesel has risen well above \$3.50 in many parts of the state.

The new law describes how the state budget will cover the tax break, which will end in the quarter after 35 million gallons of taxed biodiesel and blended biodiesel fuel have been sold.



When you take money from somewhere, it has to be replaced from somewhere else. Unless new revenues are included in the mix, (e.g. a tax increase or collections growth) the typical state budget is a closed system. TW

Senator Seeks Inquiry into DOT Road Program

Washington Post - March 11, 2008

WASHINGTON, D.C. - A U.S. Senator is calling for an investigation by Congress to find out whether the Transportation Department's expenditure of federal money on a program allowing Mexican trucks on U.S. roads is illegal. Just a few hours after Transportation Secretary Mary Peters warned of the economic pitfall if Mexican trucks are forbidden from traveling deeper into the U.S., Sen. Byron L. Dorgan, D-N.D., requested an investigation by the Government Accountability Office.

In 1995, under the North American Free Trade Agreement, Mexican trucks were given more access to U.S. roads, but they cannot driver farther than about 25 miles past the border. Last September, a pilot program allowed a limited number of Mexican trucks to drive deeper into the U. S., but Dorgan and others argue that Congress had not agreed to spending money on the program last year.

Secretary Peters said the agency's actions were legal because although law prohibits spending funds to establish a program, the money was used for the existing program. The department has made this argument in the U.S. Court of Appeals for the 9th Circuit which is looking at an appeal by the International Brotherhood of Teamsters to halt the program.

Wa. Senate Approves Bare-Bones Hwy. Budget

Seattle Post-Intelligencer – March 13, 2008

Washington - The Washington Senate passed a stringent highway budget this week, which includes for money to enhance safety on U.S. Highway 2, the so-called "killer highway," after majority Democrats gave in to GOP demands. The budget cuts the current \$7.5 billion two-year transportation budget by nearly \$130 million. Legislators say they are being forced to cut projects and overhead over the next 16 years by almost \$1.5 billion to account for increasing costs and a drop-off in state and federal tax revenues.

The largely controversial budget is a compromise agreed upon by negotiators from the Senate and House, after a debate flared on earlier drafts from both chambers when minority Republicans passionately accused Democrats of overlooking what they say is the state's most dangerous road, U.S. 2. Almost 50 people have been killed in recent years in crashes on the two-lane road connecting Sultan and Monroe. The compromise came when negotiators found an extra \$5 million, for a total of \$14 million, for the project.

Earmarks for early work on the Alaskan Way Viaduct replacement in Seattle and a new State Highway 520 floating bridge across Lake Washington, new ferries and other major road and bridge projects across the state were also included in the budget.

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