



*Editor's Note: I was struck this week by the number of ways states and local entities are trying to raise money for transportation ranging from tolls to auto related sales tax, new resident fees, property taxes and more. Note the emphasis on other than Federal sources. No one tool will answer the funding question for every state; the funding source must fit the specific circumstances. Perhaps more important to note is the divergence from motor fuel taxes which have been the mainstay of every state's finance picture for so many years. TW*

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## ATA Urges Bush to Give Truckers a Break at Pump

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*Today's Trucking News - Mar 31, 2008*

**ARLINGTON, Va.** – The American Trucking Associations is pushing the Bush Administration to give truck drivers some relief at the gas pumps, saying they must act immediately to make sure strategies are in place to ensure American consumers and 3.5 million truck drivers will have an affordable supply of oil.

With fuel as the second-highest operating expense for truckers, the industry is facing the highest prolonged fuel prices ever. The ATA reports that fuel has even started to surpass labor as some motor carriers' largest expense.

"The signs are troubling. We are concerned about fuel's direct impact on our industry and also its

effects on the nation's economy," said ATA President and CEO Bill Graves. "The industry is doing its part to conserve fuel, but we need help."

The ATA is urging the federal government to help bring down the price of diesel fuel through initiatives and policies such as:

- Work with 50 state Attorneys General to stop any fuel price gouging that may occur
- Start releasing oil from the Strategic Petroleum Reserve and establish a national diesel fuel standard; allow environmentally friendly exploration of oil-rich areas in parts of Colorado, Wyoming and parts of the Arctic
- Suspend collection of the 12 percent federal excise tax on motor carriers' purchase of auxiliary power units, which cut the consumption of fuels in idling truck engines; and require states to grant a weight exemption for APU's

## Gov. Calls Special Session on Natural Gas Tax

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*KHBS/KHOG 40/29, AR - Mar 31, 2008*

*LITTLE ROCK, Ark.* – Legislators in Arkansas are feeling the pressure from Gov. Mike Beebe, who is encouraging passage of the first hike in the state's severance tax on natural gas in 50 years. In a special legislative session, the governor told lawmakers this is their chance to make history while creating a new funding source for highway work in the state without burdening citizens with a tax hike.

Gov. Beebe's plan calls for the state to levy a base 5 percent tax on the market value of natural gas extracted, with exemptions built in for certain wells. Revenues from the current tax are about \$660,000 each year, and Beebe says the new tax could raise up to \$100 million annually.

## Congestion Pricing Clears Major Hurdle

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*Metro.us, NY - Mar 31, 2008*

*NEW YORK* – Proponents of New York Mayor Michael Bloomberg's congestion pricing plan won a major victory this week when the City Council approved a proposal to charge drivers \$8 to drive into the city during business hours. Following a heated discussion, the measure passed with a 30-20 vote. Some council members still criticized the plan as a burden on middle class citizens in the outer-boroughs, despite the recent amendments to the congestion pricing plan, including a residential permit plan, reimbursements for low-income drivers and \$1 billion to the MTA's capital plan from the Port Authority. Critics on the council also questioned whether the money would really go to mass transit.

"The people of New York have spoken," said Mayor Bloomberg. He promised the federal funding of \$354 million would make it possible for new buses and other transit improvements "almost overnight."

Dan Weiler, spokesman for Assembly speaker Sheldon Silver, said congestion pricing would be on the table later this week. "This is a matter we will discuss in conference after we complete the state budget," he said.

## Local Officials Oppose I-70 Tolls

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*Craig Daily Press, CO - Apr 1, 2008*

*Steamboat Springs, Col.* – A bill in Colorado that would add a \$5 toll to I-70 passed a Senate committee this week, but officials in Routt County remain adamantly opposed to Senate Bill 213. State Sen. Andy McElhany's proposal includes allowances for tolls to increase with inflation, and is now under consideration by the Appropriations Committee.

"It's just a totally unfair solution," Routt County Commissioner Doug Monger said of the proposal, which would toll a 32.4-mile stretch of the highway from the Eisenhower Tunnel to Floyd Hill. "It's strictly a discriminatory tax on the citizens of Western Colorado for a statewide need."

Routt County Commissioner Diane Mitsch Bush said she was dismayed at the tone of the discussions during last week's committee hearings in Denver. "The discussion by Front Range legislators really didn't seem to grasp what I-70 means for all of Western Colorado," Mitsch Bush said. "It's our lifeline. It's our artery. It's how goods get here ... It was very much a Front Range perspective," she said, noting that McElhany is a Colorado Springs Republican.

Mitsch Bush also pointed out that the philosophy behind toll roads typically relies on the existence of alternate modes of transportation for motorists, which don't really exist for Routt County motorists. Local business owners have also expressed concern that the legislation, aimed at relieving congestion, only allows the toll revenue to be spent on increased capacity, but not invested in alternate modes of transportation such as buses or rail.

## TxDOT Debates Shifting Maintenance Funds for New Roads

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*Dallas Morning News - April 2, 2008*

*Texas* - The Texas Department of Transportation is still debating whether the state should shift sparse transportation funds to pay for new roads or maintenance. Last month at its commission meeting, the department's executive staff recommended changing course under legislative pressure, and defer billions of dollars of maintenance over the next 11 years.

However, at least one of the four policy commissioners has indicated that he will not support the plan. Texas Transportation Commissioner Ted Houghton of El Paso wrote a letter to the agency's executive director on Monday saying the plan jeopardizes the quality of the state's transportation system, which he called "the crown jewel of the nation."

Legislators have recently accused TxDOT of playing politics with its budget to pressure lawmakers to support toll roads. Lt. Gov. David Dewhurst and others have ordered the department to

promptly borrow at least \$6 billion in long-term debt to pay for road construction.

Houghton said in his letter that it would only be wise to shift gas tax money to maintenance needs, which he conceded would put additional pressure on finding alternative financing methods for building and widening roads. Houghton said that although private companies are not begging for the right to maintain the state's highways, they are lining up to help it add lanes and build new roads.

## Plan to Remove I-190 Tolls Moves Forward

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*WBEN 930, NY - Apr 1, 2008*

*Buffalo, NY* – Tolls may soon be lifted from the Grand Island Bridges after a state Senate committee approved a bill to transfer jurisdiction of the I-190 from the Thruway Authority to the state department of transportation.

The New York State Department of Transportation would not have authority to charge tolls, but it would be eligible for federal funding for maintenance and improvements to the bridge, according to bill sponsor George Maziarz. That, he says, can equalize the \$22 million motorists pay to the Thruway Authority in tolls annually.

## Louisiana Roads get New Funding

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*Landline Magazine - April 3, 2008*

*Louisiana* - Roads in Louisiana are about to get a boost in funding to help address a \$14 billion backlog from a bill overwhelmingly approved by the Senate and House, and signed into law this week by the governor. Just before concluding their session in March, lawmakers approved the bill, which will gradually increase transportation funding by \$636 million over the next five years.

The revenue comes from shifting the 4-cent state sales tax on car and truck sales from the general fund to gradually be used strictly for transportation needs. Roads will get a ten percent boost - \$42 million - in the fiscal year that begins July 1. The move will increase to \$255 million annually by 2012. In July 2014, transportation will receive all revenue from the tax, creating \$320 million annually in new road and bridge aid.

The bill, sponsored by Sen. Mike Michot, R-Lafayette, requires 93 percent of the money be used for highways, and the remaining 7 percent will go toward the design and building of large-scale projects.

## Virginia Gov. Approves Toll Bills

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*Landline Magazine - April 3, 2008*

*Virginia* - Gov. Tim Kaine signed two toll bills this week, one of which will give lawmakers more

power over whether motorists are charged tolls on Interstate 81 in the state. The second bill repeals Virginia law, permitting a toll plaza to be put on I-95 at the North Carolina border.

The bill regarding I-81, HB1516, requires General Assembly approval to toll the 323-mile corridor. Advocates of the bill, a response to a Virginia Department of Transportation recommendation that the interstate be widened and possibly tolled, say it is necessary to ensure the decision to toll is made by an elected board. It also provides communities along I-81 a voice in the expansion of the roadway.

## Coalfields Expressway Project Back on Track

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*Bluefield Daily Telegraph* – April 2, 2008

*GRUNDY, Va.* – Construction may be expedited on the Coalfields Expressway in Southwest Virginia following the recent agreement of the Federal Highway Administration to reinstate special experimental project status for the proposed corridor. At the request of Virginia Gov. Timothy Kaine and U.S. Rep. Rick Boucher, D-Va., special project status was restored to the future four-lane roadway, which suffered a major setback in June 2005 when the FHWA rescinded its previous approval of the status. The restoration will allow the use of “innovative contracting methods” focused on moving the project forward more quickly and at a lower cost, according to Boucher.

“With special federal experimental project status restored, our prospects for construction of the road have never been better,” Boucher said in a press release. “The coal companies will build it quicker, at half the cost with a better design and higher speed limit than if the road were built by VDOT alone.”

The proposed Coalfields Expressway will run 51-miles in Virginia through Dickenson, Buchanan and Wise counties, and another 55 miles in West Virginia through McDowell, Wyoming and Raleigh counties.

The corridor received special project status in May 2001 by the FHWA, allowing VDOT to use a design-build contracting method instead of the traditional competitive bidding process. After the status was revoked in 2005, Boucher said the project was no longer able to apply federal funding to the project unless traditional contracting practices were used to design and construct the road.

After recognizing that it would be far too expensive to build the road with traditional contracting methods, two of Virginia’s leading coal producers worked with VDOT to develop a “coal synergy” concept for construction of the road. The method will allow the two companies to “dramatically reduce road building costs” by preparing the roadbed while extracting coal, said Buchanan.

## Creative Ideas to Pay for Commuter Rail

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*Star-Telegram* – April 3, 2008

Several creative ideas have been proposed to pay for a 260-mile regional commuter rail system

in Texas that is estimated to cost \$468 million a year to build and operate. Planners at the North Texas Council of Governments came up with eight possible funding strategies during a session this week in Arlington.

Some of the possibilities include:

- A gasoline tax of up to 3 percent
- One-percent vehicle sales tax
- A local-option gas tax of 10 cents per gallon
- Vehicle-mileage fee of 25-cents per 100 miles traveled
- \$100 New resident impact fee
- County property tax of 10 cents per \$100 valuation
- An emissions tax of \$6 to \$15 depending on vehicle type

Some of the options would require voter approval; others must pass in the legislature.

## **I-69 Bids Well Below INDOT Estimate**

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*Evansville Courier and Press – April 3, 2008*

*INDIANAPOLIS* – Bids for the long-awaited Interstate 69 extension project were opened on Wednesday, with four of the five bidders coming in at least \$13 million below the state department of transportation's confidential engineering estimate of \$41.85 million. Gohmann Asphalt & Construction Inc. of Clarksville, Ind. submitted the lowest bid, at \$25.23 million.

The bidding includes construction of a 1.77-mile section of I-69 between I-64 and State Road 68. That small section is part the 13-mile Section 1 of the highway that will stretch to Oakland City, Ind. The north-south interstate between Evansville and Indianapolis will be built in six sections.

"I think it's another step in the process and another sign the highway is moving forward," said Steve Schaefer, executive director of Hoosier Voices for I-69 and vice president of public policy for the Southwest Indiana Chamber of Commerce. "It's good for Southwest Indiana to continue to meet these milestones."

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