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## States Could Face 34% Reduction From Highway Trust Fund

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*Finance and Commerce – June 13, 2008*

WASHINGTON, D.C. - A \$3.7 billion shortfall in the federal Highway Trust Fund for fiscal year 2009 could force states to cancel or delay several hundred million dollars worth of transportation projects, as well as endanger the jobs of tens of thousands of construction workers.

The shortfall is partially caused by people driving less because of high fuel costs, causing tax revenues to decline, and because of emergency allocations from the fund for unexpected road and bridge projects across the country. The most dramatic example of this is the \$234 million the federal government gave Minnesota to rebuild the 35W bridge that collapsed last August.

The Federal Highway Administration projects that all 50 states will see a 34 percent reduction in road construction funds from what they received in 2008 unless something is done to address the anticipated loss.

Congress and the Bush administration are considering possible solutions to avoid the potential \$14 billion loss to the states. A Senate bill, called the American Infrastructure Investment and

Improvement Act, would produce up to \$5.1 billion, most of which would come from the general fund. The FHWA also advocates the use of toll roads and public-private partnerships to aid the highway funding deficits many states are facing.

In the meantime, the administration is looking at limiting federal highway spending to \$39.4 billion for fiscal 2009 (instead of the \$41.2 billion forecast earlier) and shifting money from the HTF's mass transit account to the highway account.



*Time is running out for members of Congress to find a solution to the FY '09 part of the Highway Trust Fund problem. Those who follow their schedule know that Congress will be off for the 4th of July, come back for a couple of weeks until early August and then won't get back to serious work until after Labor Day. You can almost count the number of working days for Congress between now and September 30th on your hands and feet which is not much time in a world of partisanship and rancor. Absent a solution for new money to fill the \$3.5 billion gap the states will be forced to trim programs to stay in balance. If you are not in the planning and programming part of our business you may not appreciate the difficulty in putting together new STIPs with no idea what will come in FY '09, FY '10 or the new highway bill...whenever it is going to pass. Anyone who accurately predicts how this will all turn out is probably doing well on Wall Street right now. TW*

## County Votes against Toll Road

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WMBB News, FL – June 10, 2008

Florida - Commissioners in Washington County, Florida voted 3-2 against a building a new toll road through the county this week. The proposed limited access highway would run from Alabama to Panama City; about 5 miles of the tollway would be in Washington County, affecting 21 landowners.

"There are a lot of people that are absolutely against the idea of a toll road," said Washington County Commissioner Robby Finch, adding that county officials say Focus 2000 did not provide studies on how the new toll road would affect the economy or traffic in the area. Chamber of Commerce Executive Director, Ted Everett, says no businesses in the county support the toll road, despite claims by the Focus 2000 study that say it would bring new business to all counties involved.

Commissioners who voted against the tollway said they feared the construction would prolong the planned widening of highways 77 and 79 by the Florida Department of Transportation over the next 15 years.

Transportation officials say plans will continue for the tollway without the county, with the possibility of rerouting the highway through Jackson and Bay Counties. Work on the project could begin by next March.

## Lawmakers Consider Toll Road Funding in N.C.

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*N. Carolina* - The North Carolina Senate is again looking at a bill that would set aside extra money to help fund toll roads in the state. The General Assembly adjourned the regular 2007 session without making a decision on the proposal, which would require most drivers in the state to pay an additional \$8 each year when registering their vehicle. The revenue would be used to leverage revenue bonds for toll road projects.

SB1352 has been reintroduced during the regular session, which began last month, in the Senate Appropriations/Base Budget Committee. With the continuation of the two-year session, the bill will probably be considered once again.

House lawmakers adamantly rejected a similar bill last year to add \$8 per year onto registration fees, which would have given the North Carolina Turnpike Authority an additional \$30 million this fiscal year. The extra funds would have increased to \$52 million per year each of the next four years. Instead, the House approved a version of the bill to give the authority \$20 million, but the Senate would not consider it.

The turnpike authority has several projects throughout the state on its wish list. The one most likely to be completed first is a proposed tollway in western Wake County.

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## Oklahoma Boosts Funding With Bond Issue

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Land Line Magazine – June 10, 2008

*Oklahoma* - Roads and bridges in Oklahoma are set to get a boost in funding under a measure signed by the governor authorizing a \$300 million bond issue to pay for transportation repairs across the state. The new law, previously HB2272 and approved by the Legislature last month, also authorizes \$25 million for repairs to county roads and bridges.

“This legislation addresses a real and pressing concern,” Gov. Brad Henry said in a written statement. “Too many of Oklahoma’s roads and bridges are in need of repair, creating a barrier to economic development and, more critically, a threat to public safety.”

The Oklahoma transportation department can now issue the bonds to stay on schedule with its eight-year bridge and road maintenance plan. The funding will generate from two bond issues during the 2010 and 2011 fiscal years.

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## Several States Benefit from Sky-High Gas Prices

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The Associated Press – June 8, 2008

*ATLANTA* – All the political banter about suspending the federal gas tax to lower prices at the pumps misses a critical fact: state taxes are often even more costly for drivers, and in some states, are scheduled to rise even higher during the busy summer driving season. While the federal tax rate has not increased since 1997, some state gas taxes can increase every year, or

more, creeping higher as the price does.

While around three-dozen states face declining revenue as motorists drive less to avoid the high cost of fuel, other states are set to benefit. In about a dozen states, the tax is tied, at least partially, to the price at the pump – and the sky-high gas prices has meant an unanticipated windfall. According to a study by the American Petroleum Institute, California has the highest gas tax in the nation. If prices remain at \$4 a gallon, the state will rake in \$5 billion this year – compared to \$2.1 billion in gas tax revenue in 2003, state revenue officials said.

Georgia is the only state so far to provide relief, as Gov. Sonny Perdue signed an executive order to stop the planned 2.9-cent gas tax increase on July 1. "Frankly, I don't think we can justify raising taxes on gasoline in a time of economic stress for many families," said the Republican governor. But relief doesn't come cheap: he is forfeiting about \$80 million when his state is facing \$1 billion deficit for transportation projects.

Proposals to suspend the state gas tax in New York, Missouri and Florida have failed to advance, according to the National Conference of State Legislatures.

## **St. Paul's Lafayette Bridge Replacement Moved Up a Year**

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*Minneapolis Star Tribune – June 16, 2008*

*Minneapolis* - The replacement plan for St. Paul's Lafayette Bridge has moved up a year, the Minnesota Department of Transportation announced this week, sure to be welcome news to the 90,000 drivers who use the bridge daily. The replacement is part of MnDOT's \$2.5 billion major bridge improvement plan to replace 11 major bridges over the next 10 years. The span, which carries Highway 54 traffic across the Mississippi River into downtown St. Paul, has a lower sufficiency rating than the I-35W bridge had before it collapsed last summer.

Construction on the Lafayette Bridge, which spans the Mississippi River in downtown St. Paul, will now begin in 2010. MnDOT estimates the new bridge will cost between \$170 million and \$200 million. Other bridges to be replaced under the plan include the ones crossing the Mississippi at Hastings, Winona and St. Cloud. By 2018, 120 bridges rated poorly or that lack structural redundancies will be replaced, repaired or under construction.

## **Plan would Impose Congestion Charge in Los Angeles**

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*TheNewspaper.com, D.C. – June 17, 2008*

*Calif.* - Los Angeles officials are seeking to promote congestion taxes that Congress is trying to scale back. The county recently hired Parsons Brinckerhoff to develop a congestion pricing plan that would work for the whole region. Parsons worked for several years on a London-style congestion charge for New York City, which was rejected by the state legislature in April. The company will likely explore similar concepts in Los Angeles.

"The project will develop a regional plan for congestion pricing that is technically feasible and

acceptable to the public," a company statement explained.

The reaction by several members of Congress suggested that such a plan may have an uphill battle. A bipartisan group of U.S. House members from Southern California has joined forces to contest a U.S. Department of Transportation proposal to spend \$213 million from the federal gas tax fund to impose tolls on existing Los Angeles County freeway lanes.

Congressman Gary Miller (R-Diamond Bar) is heading the effort that would forbid tolling existing HOV lanes anywhere in the country, because he says it would increase, not decrease, congestion. The bill would simply undo the ability to convert an existing HOV lane into a toll lane by prohibiting the imposition of a charge on anyone who currently uses the lanes for free.

## **Congestion Pricing Cuts Stockholm Traffic by Nearly a Fifth**

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*IBM Press Release – June 11, 2008*

*Sweden* - Congestion pricing in Stockholm has reduced traffic in the Swedish capital by 18 percent, according to traffic authorities there. The fee-based approach, which began formally in August 2007, has also seen the proportion of green, tax-exempt vehicles rise to 9 percent. The study also found that access to the city has improved significantly with a reduction in travel times on inner city streets and approach roads.

IBM has been the prime contractor on the project, which covers more than 9 square miles of Stockholm, since a pilot version was launched in 2006. It is the largest project of its kind in Europe.

"Traffic has remained substantially lower since the pilot with IBM, which has brought significant benefits to Stockholm residents. The scheme is meeting the objectives set by the city of reducing traffic volumes, improving accessibility for buses and cars, and improving the environment," said Birger Hook, Director of the Swedish Road Administration's traffic registry.

In addition to working with Stockholm, IBM is helping the cities of London, Singapore and Brisbane address their traffic management and congestion challenges.



*Congestion pricing in LA might be the most ambitious experiment of its kind in the world. There is no question that something needs to be done; how and when is the question. Stockholm's success is another arrow in the congestion pricing quiver. That model might not transfer directly to a US application but with each new use of congestion pricing transportation professionals and public policy leaders are learning more and more about how to successfully implement this approach to managing transportation assets in a community. TW*

## **Deal Signed for Light Rail to SLC Airport**

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*Salt Lake Tribune – June 13, 2008*

*Utah* - A \$300 million deal to build TRAX light rail from downtown to the Salt Lake City International Airport has finalized; planning for the line began nearly a decade ago. Mayor Ralph Becker and the Utah Transit Authority signed the contract for the line that will branch off the existing TRAX network at 400 west and mainly travel along North Temple Street.

Originally, the project was to be built at the same time as the tracks from downtown to the University of Utah, but the UTA only had enough funding at that time to build the U. line before the 2002 Winter Olympics. UTA Assistant General Manager Mike Allegra said construction on the line should begin by the end of this year, and rail cars should be in service within four years.

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## **Nevada Board Endorses Toll Road Plan**

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*Land Line Magazine* – June 17, 2008

*Nevada* - With the hope of possibly using public-private partnerships to build toll lanes in Las Vegas, a governor-chaired board is urging state lawmakers to take action to reduce a massive funding shortfall for road construction across the state.

The Nevada Transportation Board, led by Gov. Jim Gibbons, has endorsed a plan to build express lanes and charge tolls on the I-15 corridor through Las Vegas. It will be among the state DOT's legislative proposals to be reviewed by lawmakers during the next regular session, which begins February 2, 2009.

Proponents of the plan say it will give the state another funding option to account for the rising cost of construction materials. Gov. Gibbons is against raising taxes for such projects. If approval is received by the state legislature, the 19-mile pilot project will be on the state's busiest sections of roadway: U.S. 95 to I-15; I-15 to the I-215 Beltway; and Summerlin Parkway to U.S. 95.

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## **Seven 3-Million Pound Bridges to be Moved for I-80**

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*KUTV 2, SLC, UT* – June 16, 2008

*SALT LAKE CITY* – Transportation workers will move seven bridges weighing over three-million pounds a piece into place along I-80 over the next several weeks. Utah Department of Transportation officials said various roads will be closed during the six week project as the bridges are moved along the eastbound lanes of the interstate.

The first bridge will be moved on Saturday, June 21, using new technology making the traffic delays much shorter than they have been in the past, according to UDOT.

UDOT has reconfigured the I-80 reconstruction project – originally planned to take a year or more – into an accelerated time frame. The majority of the work should be over in just six weeks, with final project completion slated for fall of 2009.

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