










Dear Readers: Thanks for another year of loyal support. We have enjoyed providing you with important news about our industry and trust The Tom Warne Report has been beneficial in your specific work activities. We look forward to an interesting 2009.

In light of the Holiday Season, we will not publish The Tom Warne Report next Friday, December 26. On January 2, we will run a special editorial for the New Year, and then resume our normal format on January 9. We send best wishes to all our friends for a wonderful and safe Holiday. Tom

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FHWA's Road Rule Change to Drive Up Tolls – Congressmen

Reuters – December 16, 2008

WASHINGTON – President Bush's plan to modify toll road regulations will take critical road-building revenue away from states while rewarding the private sector, Congressional Democratic leaders said this week. In a Dec. 15 letter to Transportation Secretary Mary Peters, Representatives James Oberstar and Peter DeFazio said the proposal requiring states to force public toll authorities to lease roads constructed with federal assistance would drive up fees to travel on those roads.

"As currently drafted, the proposed rule would force the implementation of toll rates and user charges that bear no relation to the true financing, construction, operating and maintenance costs of the facility," wrote Oberstar, D-Minnesota, who chairs the U.S. House of Representatives

Transportation Committee, and DeFazio, D-California, who chairs the House Subcommittee on Highways and Transit.

The legislators said the Federal Highway Administration's Oct. 8 proposal to change to "fair market valuation" would compel states to rely more on the private sector and less on public authorities to maintain toll roads. The new model would not require any money be put back into road maintenance, as current regulations require.

Lawmakers believe a change in how toll roads are funded should be made in the U.S. Congress' new transportation bill to be drafted later this year.

Missouri Lawmaker wants Tolls on I-70

Land Line Magazine – December 16, 2008

Missouri - Efforts to allow toll roads and bridges into Missouri have been renewed by a state lawmaker, who filed legislation this month to allow the state's Highways and Transportation Commission to fund, build and operate tollways and bridges. Republican Sen. Matt Bartle's 5th attempt would remove existing barriers that prevent tolling in the state, specifically on I-70 between St. Louis and Kansas City.

Because tolling I-70 would require a Missouri Constitutional amendment, Bartle has also proposed a joint resolution for the amendment which would give the highway commission the necessary authority. If the bill made it out of the legislature, voters would then be asked to approve the amendment, allowing the use of state funds to build toll roads.

Missouri transportation officials say tolls are the best, and possibly only way to fund construction of additional lanes to the 250-mile stretch of interstate. Toll advocates have asked the legislature for a tolling authority for each of the past six years, but lawmakers have never let the option move to a public ballot.

Foes Vandalize Arizona Speed Cameras

The Arizona Republic – December 15, 2008

Arizona - When an Arizona driver took a pickax to a freeway speed camera this week, he demonstrated the frustration felt by many drivers with the three-month-old program. Foes of the program have been far more vocal than supporters, from internet discussion boards to talk radio programs, and two groups say they are preparing citizen ballot initiatives for the 2010 election to bring the cameras down.

The camera attacked by the pickax suffered "six puncture wounds," according to the responding police officer who arrested the offender, but the manufacturer said the camera suffered only "cosmetic damage." The camera was, however, knocked out of position by the blows, preventing it from recording violations.

The freeway cameras are triggered at 11 mph in 55-mph zones, and at 10 mph in 65-mph and 75-mph zones. Other minor incidents involving opponents of the cameras include vandals spraying Silly String or placing Post-It notes over the lenses.



I was in Arizona this week facilitating a partnering meeting on the I-10 project in Tucson and saw several of these cameras. They are mounted on poles attached to Highway Patrol vehicles. This kind of anger can generate enough public opposition to kill such a program. Many good ideas fall by the wayside when overwhelmed by negative public opinion. Good public relations has become as important to our success as engineering. TW

High-Speed Rail to Connect U.S. Cities

USA Today – December 16, 2008

NEW YORK - The U.S. Department of Transportation is soliciting proposals from the private sector to design, finance, build and maintain 11 new high-speed rail corridors across the nation. U.S. Transportation Secretary Mary Peters joined New York Mayor Michael Bloomberg in a news conference, saying the country is behind other countries that already have high-speed trains.

The announcement follows a sweeping railroad safety bill authored by Rep. John L. Mica (R-Fla.), the House's main high-speed rail advocate and Rep. James L. Oberstar (D-Minn.) signed by Bush in October, which included provisions outlining government support for high-speed development.

The eleven proposed lines, including service connecting Washington, D.C. with New York City, would connect the major cities within each highly-populated area in the country. Mica estimated the cost to be between \$18 billion and \$40 billion, and trains to be functioning by as early as 2012. He added that he is hopeful President-elect Obama and congressional Democrats will include high-speed rail spending in future infrastructure spending proposals.

The Transportation Department's Federal Railroad Administration wants trains to travel between Washington, D.C. and New York City in 2 hours or less. Amtrak's Acela train takes about 2 hours and 42 minutes for the trip, traveling at 84 mph on most stretches. High-speed trains in Europe and Asia travel at speeds up to 250 mph.

MTA Panel OKs Rate Hikes, Service Cuts

New York Daily News – December 15, 2008

New York's Metropolitan Transportation Authority has approved long-dreaded fare hikes and service cuts, including eliminating 26 bus routes, in its 2009 budget. It appears to be a no-win situation for transit riders, politicians, and the board members, who felt forced into a corner due to a lack of state funding that forced the agency into debt and resulted in a \$1.2 billion budget deficit.

Even with a 13-1 vote, MTA hopes it will not have to implement the budget, while planning spring service cuts and a 23 percent fare hike in the summer. Lawmakers still have time to act.

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"If Albany is listening, I'm not riding this train with you. You need to step up to the plate, do what you're supposed to do, and stop trying to make us be the bad guy," said MTA Board Member Norman Seabrook.

If lawmakers implemented the recent recommendations of the Ravitch Commission, including tolls for the Harlem River and East River bridges and a new payroll tax, the fare hike could be reduced and service cuts restored.

"We are not just asking, we are urging, for the future of this transit system, for the future of the region, that Albany respond," said MTA CEO Lee Sander.

Miami Officials Question State's Decision to Shelve Port Tunnel Project

Miami Today, FL - December 17, 2008

Florida - Miami officials are questioning state transportation officials' decision to halt a long-planned \$1 billion-plus tunnel to the Port of Miami. The state department of transportation chief notified Miami-Dade Mayor Carlos Alvarez that equity issues with the selected contractor are the reason for shelving the project.

But Mayor Alvarez said in a press conference this week that the contractor disputes these allegations. Alvarez and Miami Mayor Manny Diaz acknowledged that the original equity partner in the project – Australian investment and asset manager Babcock & Brown – is struggling financially. But the mayors claim another equity investment fund, Meridiam Infrastructure, of Paris, is flush with capital and has agreed to fully replace Babcock & Brown's equity investment, so the project could move forward.

"The equity funding is in place," read a Dec. 14 letter from the contractor team to state DOT officials, asserting that their move to halt the procurement process "is based upon incorrect facts, devalues the investment that all parties have made in those long negotiations and, most importantly, represents arbitrary agency action."

According to Gus Pego, local district secretary for the state DOT, state money is still slated for the project; it's just the procurement process that has been halted. Mayor Diaz said he was told that market could not sustain it, when he asked the state why a new procurement process could not be opened.

Ca. Panel Halts \$3.8B Infrastructure Loans

Reuters - December 17, 2008

California – A panel's decision to halt nearly \$4 billion in loans for infrastructure projects in California was forced because the state needs money to pay for vital public services, according to

state Treasurer Bill Lockyer. The announcement came as state lawmakers remain in a deadlock over how to fix a budget deficit expected to increase to over \$40 billion.

"It's now official – the failure to solve our budget problem has put in grave danger billions of dollars in revenue for our businesses and thousands of jobs on which our workers and families depend," Lockyer said in a statement. Lockyer, along with State Controller John Chiang and State Director of Finance Michael Genest, who comprise the state's Pooled Money Investment Board (PMIA), voted to stop the funding until June 2009.

The decision will affect almost 2,000 highway, school, levee, housing and park projects, he said. PMIA usually lends money to infrastructure projects and is reimbursed by bond sales. But California's budget issues and the credit crisis have effectively closed the bond market to the state, said Lockyer. "With the state unable to sell bonds, continued lending for infrastructure projects would substantially reduce the resources available to PMIA to keep the state afloat," he said.

In a statement, Controller Chiang said the Legislature must act quickly to reduce any further fiscal damage. "California's economy will not restart on broken roads. It will not recover in substandard classrooms. It will only thrive with the infrastructure necessary to face tomorrow's challenges," said Chiang.

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