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Senate Panel Approves 18-Month Highway Bill Extension

Greenwire – July 15, 2009

WASHINGTON - A Senate committee has approved a bill to extend the existing federal program for highway and transit spending for 18 months, and subsequently postpone the next complete, six-year authorization of the measure until March 2011. With an 18-1 vote, the Senate Environment and Public Works Committee authorized \$61.5 billion in spending for the 18-month period, beginning Sept. 30, when the current multi-year transportation bill is set to expire.

Committee Chairman Barbara Boxer (D-Calif.) said the committee will use the 18 months to design a comprehensive multi-year spending plan to replace the current surface transportation bill – the Safe, Accountable, Flexible, Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU). Boxer noted that three Senate committees – Finance, Banking and Commerce – need to add titles to the bill before the package reaches the Senate floor.

"The committee feels very strongly on both sides of the aisle that we need a transformational transportation bill," Boxer said. "But let's get real, the Highway Trust Fund is running out of money and by August will be dry." Boxer added that this is a "clean extension," meaning it does not include any highway policy changes.

Meanwhile, the House Transportation and Infrastructure Committee Chairman James Oberstar (D-Minn.) opposes the 18-month extension proposal; favoring instead a \$500-billion six-year highway-transit-rail reauthorization bill, which cleared a House subcommittee in June 24. In a statement July 14, the day before the Senate passed its bill, Oberstar reiterated his opposition: "An 18-month extension will put us into the next presidential election cycle. It will take four years to finish, not a year and a half. I know how Congress works. Inertia becomes the enemy of

progress. We are ready to move and we should move now.”



Rep. Oberstar is right but Senator Boxer's approach will eventually carry the day. States should plan accordingly. Chances of the President signing a new bill in March 2011 are slim. All states get federal funding. Those who rely on it for the majority of their program dollars will be most impacted by this. States with substantial local funding are more insulated and will be more able to continue their programs. TW

Chamber of Commerce Pushes to Raise National Gas Tax

Dow Jones – July 15, 2009

WASHINGTON – The leader of the U.S. Chamber of Commerce is urging lawmakers to raise the national gasoline tax to help pay for transportation infrastructure as inflation and more fuel-efficient cars make it increasingly difficult to pay for highway, bridge and public transit needs. The powerful business lobby is leading the proposal with a six-figure ad campaign to promote a hike to the existing 18.4-cent-per-gallon federal gasoline tax--not raised since 1993.

Chamber president Tom Donohue gave an unexpected boost to lawmakers urging swift action to the nation's transportation perils by recommending Congress use a 10-cent gas tax increase to help pay for a proposed six-year transportation plan. The chamber said it would support an increase plan suggested by a federal commission in 2005 – involving an immediate 10-cent increase, followed by annual increases of about 5 cents for the next several years, with subsequent increases to keep up with inflation.

“After 15, 16 years of not having an increase in the federal fuel tax, it is time to do that,” Donohue said, adding that he would undoubtedly have the support of the business community. “It's just a small amount of money that will be needed over time. Fuel prices are back down pretty much. Ten cent on the gallon – everyone will make lots of noise about, they'll be worrying about it for two days, and then we'll be back to building the roads we need.”

Ky., Ind. Governors to Promote Road Projects

Associated Press – July 15, 2009

INDIANAPOLIS – Indiana's governor has announced his plans to join Kentucky Gov. Steve Beshear in the signing of a bill to create a two-state authority for road projects with Indiana. Indiana Gov. Mitch Daniels and Beshear are expected to join on Wednesday to sign the bill, which signifies their mutual pledge to expedite the construction of two new bridges across the Ohio River, connecting Southern Indiana and Louisville.

The project received federal approval in 2003, but has been delayed as Kentucky lawmakers struggled to find a way to pay for their portion of the costs. Indiana plans to pay for the majority of its \$1.1 billion portion with money raised by the Indiana Toll Road lease to a private consortium. The total cost for the project is estimated at \$4.1 billion.

The next step is for the Louisville mayor and Beshear to appoint representatives to work with a similar group in Indiana to establish a bi-state authority. The bi-state authority will then draft a finance plan and construction timeline for the project as well as an agreement for building the bridges. The newly-created Kentucky Public Transportation Authority will need to approve the agreement, the timeline and the finance plan.

N.C. Works to Ban Commercial Wind Power

The News and Observer – July 14, 2009

North Carolina – An overwhelming vote in North Carolina's Senate to restrict commercial wind development on the state's mountaintops brought the state closer to a complete ban. Members of the General Assembly's Senate Finance Committee agreed to limit wind power development to residential usage on towers no taller than 100 feet. The restriction will prohibit commercial wind farms which connect multiple turbines that can reach higher than 300 feet.

Proponents of wind power say prohibiting wind power development in the western region of the state would prevent harnessing almost 800 megawatts of estimated wind potential in the mountains, or the equivalent of a mid-size nuclear power plant. The full Senate is expected to vote on the measure as early as this week, and the House plans to review the proposal.

Lawmakers said constructing a full fleet of industrial-size turbines would ruin pristine views and harm the landscape by requiring new roads be built to access the turbines for maintenance and transmission lines. "You're not going to plop them down along our ridge lines and destroy everything we have up there," Democratic Sen. Martin Nesbitt Jr. told lawmakers before this week's vote.

The tallest mountains in North Carolina have some of the best wind energy resources in the country, with average annual wind speeds up to 25 miles per hour. Coastal and offshore wind resources average between 15 m.p.h. and 20 m.p.h.



While not directly related to transportation this story reflects the challenges in implementing even good ideas as we attempt to reduce carbon consumption and turn to more renewable energy sources. People want clean energy but not along our coastlines, mountains or in our valleys. We are okay if turbines are located near someone else's view shed. I just heard of a HOA that won't allow solar panels on homes in their neighborhood. Many things must change if we are going to get this right. By the way, there is an excellent article in Fast Company magazine this month about distributed solar energy production. TW

Feds Approve \$386M Loan for Triangle Expressway

U.S. DOT News – July 13, 2009

WASHINGTON – The federal government has approved a \$386 million loan to help North Carolina's plans for congestion relief on the Triangle Expressway in the Raleigh-Durham area, according to an announcement by U.S. Transportation Secretary Ray LaHood on July 13.

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The loan will help finance construction of two new sections of the Triangle Expressway, representing over 18 miles of roadway linking key interstates and routes in the region. The project will improve access to downtown Raleigh and I-40--the only interstate in the area to access Research Triangle Park, one of the largest science parks in North America with over 160 companies. North Carolina State University, Duke University and the University of North Carolina at Chapel Hill are also in the area.

"This project will go a long way toward serving the travel needs of commuters in key educational and employment centers in this important region," said LaHood. The North Carolina Turnpike Authority was approved for the loan under the federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program, which gives states the ability to finance highway projects with flexible repayment terms. The Turnpike Authority will repay the loan with tolls on the new highway and also plans to sell more than \$600 million in bonds to round out the project's total cost of more than \$1.1 billion.

In other relevant news from North Carolina, a bill to merge the North Carolina Turnpike Authority and the state department of transportation has been approved by House lawmakers and is under consideration by Senate lawmakers with no anticipated opposition. The measure would allow the NCTA to stay intact while functioning within the NCDOT.

Judge Hears Drivers' Complaints on Turnpike Tolls

WBZ News – July 15, 2009

Massachusetts Turnpike drivers are suing to make sure their toll dollars pay only for roads they use and not the Big Dig project. Drivers have the Governor's support in their case, with a newly approved law that says toll revenue cannot exceed the cost to operate and maintain the tollways.

"This is not rocket science, this is about stopping the diversion and doing what's right and fair. I'm not asking for a handout. I'm asking for what's right," said Turnpike driver Bob Ackley. "I have to pay six dollars to get into Copley Place or Kendall Square and someone coming up 93 doesn't have to pay anything."

With the new transportation laws on their side, a group of drivers is accelerating its court case to stop the Turnpike Authority from moving their money away from tolled roads. The group's attorney has asked the judge for an emergency restraining order to stop the Turnpike Authority from using toll revenue to pay for other road projects.

The judge hearing the case has not yet issued a ruling, but he indicated a measure of support for the case by saying if just one dollar collected at a toll booth was used for a non-tollroad, it raises constitutionality questions. The Toll Equity Trust Group claims that the Turnpike Authority diverts \$450 million in toll revenue every day to non-toll road projects.



Follow this logic and every dollar of motor fuel tax collected in an urban area must stay in that urban area. My property taxes should only pay for the public schools my kids attend. This is the flaw in the federal discussion about tolling the interstate. By keeping all tolls generated on an interstate highway on that highway, you ignore the fact

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that other routes also brought vehicles to the interstate; this is what make the interstate viable as a corridor. TW

Illinois Capital Bill Secures \$21B for Transportation

Land Line Magazine – July 14, 2009

Illinois Governor approved a \$31 billion capital bill this week, with two-thirds of the measure to be spent on transportation projects. As the first construction spending plan in more than ten years, the new law will use new and higher taxes and fees combined with a wide expansion of legalized gambling to pay for projects expected to create thousands of jobs.

The massive funding plan signed by Gov. Pat Quinn allots \$14.3 billion for roads and bridges through 2015, including about \$10 billion for repairs and \$4 billion on new construction. Local projects will receive about \$500 million for transportation work. An additional \$7 billion has been allocated for transportation projects including high-speed rail and Chicago-area transit.

The state will use bonds to pay for the spending plan, repaid over the next 20 to 30 years. The debt will be repaid using revenue from increases license and registration fees, a boost to the alcohol tax, and an expansion of items under the state sales tax. The state will now also allow video poker machines in taverns, restaurants and truck stops, and betting on the state lottery will now be permitted over the internet.