



In This Issue

- ☐ Report finds Gap in Transportation Contractor Enforcement
- ☐ Idaho likely to Delay Shifting Gas Tax for Roads
- ☐ Missouri Transportation Department Fights Ice with Beet Juice
- ☐ High-Tech Push for High-Speed Rail
- ☐ Charlotte Beltway Plans Win State Endorsement
- ☐ Calif. Panel Nixes Plan to End Reduced Emissions
- ☐ High-Speed Rail Plan Flawed, says Legislature's Financial Analyst
- ☐ Alaska Gov. Seeks Gas Tax Suspension
- ☐ N.J. Gov-Elect Fills Two Transportation Positions

Report finds Gap in Transportation Contractor Enforcement

GovExec.com – January 12, 2010

Millions of dollars in stimulus funding has been awarded to companies which should have been banned from doing business with the government, according to a recent report from the Transportation Department's inspector general. The audit found major gaps in the department's suspension and debarment process, with some reviews dragging on for over a year, unclear guidelines and little management oversight.

"Not only do these delays put DOT and other federal agencies at risk of awarding contracts or grants to parties who should be suspended or debarred, but they also create funding risks that could impact the effective and efficient use of funds – especially those awarded under [the American Recovery and Reinvestment Act]," the inspector general said.

Auditors highlighted a Kentucky case from September 2008, when the IG recommended the Federal Highway Administration suspend several organizations and individuals who were indicted for bribing state officials to obtain confidential state documents to determine bid estimates. The company officers were charged with obstruction of justice and conspiracy.

Ten months after the IG's referral, in July 2009, the FHWA suspended several individuals, but did not punish their respective companies. In the meantime, Kentucky transportation officials had awarded those businesses a couple of multimillion-dollar stimulus contracts. "With better communication between the FHWA and Kentucky's Transportation cabinet regarding forthcoming suspensions, the awarding of the ARRA contracts may have been avoided," the report said.

Idaho likely to Delay Shifting Gas Tax for Roads

Forbes – January 12, 2010

BOISE, Idaho – Nearly \$20 million in gas tax funds scheduled to be shifted from Idaho State Police and Department of Parks and Recreation to pay for road construction beginning this July is likely going to be postponed by at least a year, and possibly indefinitely. The news was announced by Rep. Maxine Bell, a Republican from Jerome who was one of the committee leaders from last summer who were responsible for finding a way to replace \$15 million annually from the state police and an additional \$4.3 million that the Parks and Recreation uses to maintain trails.

Bell recommended to state legislative leaders this week that the measure's effective date be postponed until at least July 1, 2011, which would significantly undo the highway funding agreement between Gov. C.L. "Butch" Otter and the Idaho House to conclude the 2009 session.

Missouri Transportation Department Fights Ice with Beet Juice

Missouri DOT News Release; Boonville Daily News – January 12, 2010

Jefferson City – Beets are not only healthy to eat, but research proves they can keep you safer on the roads as well. For the past few years, the Missouri Department of Transportation has been using an anti-icing product called Geomelt made from sugar beets to help keep the roads clear.

"Anything that keeps roads safer during extreme temperatures and bad weather means more lives saved," said Jim Carney, MoDOT's State Maintenance Engineer. "Because of the great results we've seen using beet juice, we've increased usage almost 700 percent over the last couple of years."

MoDOT first started testing Geomelt in northwest Missouri in 2006, and now is using it statewide. In 2008, the department used 35,000 gallons of Geomelt. Last winter, 242,000 gallons were used. So far this year, at the end of 2009, 78,000 gallons of the juice assisted crews in fighting winter storms.



I saw this story and just knew that we had to run it this week. De-icing is an issue that isn't going to go away. The ability to have an effective program that is also friendly to the environment has value beyond far in excess of the cost of the beet juice. This is the kind of thinking we need today. TW

High-Tech Push for High-Speed Rail

Orlando Sentinel – January 12, 2010

Advocates of Florida's proposal for a \$2.5 billion high-speed-rail system unveiled a television ad
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this week to help convince the federal government to pay for the project. A nonprofit organization called ConnectUs, formed last summer to endorse the Florida's rail bid, produced the TV ad that publicizes the economic benefits supporters say the rail connection between Tampa and Orlando would create.

The ad will be aired 500 times each in the Tampa and Orlando markets over the next week, as the Obama administration prepares to decide which of the 45 regional projects which applied for rail money will receive federal funding. The business interests and groups who comprise ConnectUs have also launched a high-tech way for Florida residents to directly connect to the Obama administration for the funding. By texting the word " jobs" to the number 24453 on their mobile phone, users will get a reply with the phone number of the White House and instructions to "ask the president to provide \$2.53 billion to fund construction of high-speed rail between Tampa and Orlando and jobs in Florida."

"There's no lack of competition but our project is ideally suited," said U.S. Sen. Bill Nelson, D-Fla., referring to the design and planning work done for the project before then Gov. Jeb Bush nixed it. The recent approval of a commuter rail project between Osceola and Volusia counties also boosts Florida's application chances, Nelson added.

Charlotte Beltway Plans Win State Endorsement

Charlotte Business Journal – January 12, 2010

The North Carolina governor's recent controversial plans to accelerate the completion of I-485 will move forward, after receiving approval from the state attorney general's office this week. In a letter released Tuesday, chief deputy Attorney General Grayson Kelley signed off on the governor's highly-touted plan which calls for the contractor to pay \$50 million or more of the project's costs upfront and be repaid by the state later – called design-build-finance.

The legality of the N.C. Department of Transportation's proposed funding plan has been debated by the department, the state treasurer's office and Gov. Bev Perdue's office since it was announced Nov. 9. The plan established a public-private funding mechanism to fund the \$340 million cost to finish the I-485 beltway. Shortly after the November announcement, N.C. Treasurer Janet Cowell questioned the plan's financing, and objected to it because of the precedent that would be set.

Perdue and other advocates of the plan called it a potential solution to other transportation needs in the state in the coming years, similar to what Texas, Florida and other states have done to meet growing transportation needs.

Kelly's letter states, "We have been unable to identify any provision of North Carolina law that would prohibit the contracting proposal described by NCDOT. Nor are we aware of any case law restricting delayed payments by a state entity by a contractor."

Calif. Panel Nixes Plan to End Reduced Emissions

Land Line Magazine – January 12, 2010
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A measure to halt implementation of California's highly publicized greenhouse gas law has been rejected, although voters in the state may still get a say. This week the Assembly Natural Resources Committee voted 6-3 to reject the bill (AB118) to put a hold on the nearly four-year-old law (AB32) that aims to cap greenhouse gas emissions at 1990 levels by 2020.

Approved in 2006, AB32 gives the California Air Resources Board the authority to create many new regulations. Proposed by Republican Assemblyman Dan Logue, the bill sought to tie implementation of AB32 to the state's unemployment rate- suspending the emissions requirement until the unemployment rate is 5.5 percent for a full year.

Logue is not stopping with the committee's rejection, saying there is public support for change. He and others have been working with the support of the trucking and business communities to take the issue straight to voters by pursuing a state referendum for the fall ballot. A Rasmussen poll shows 71 percent of the public is more concerned about the economy than about global warming.

"We want to suspend the cap-and-trade legislation that was signed into law in 2006. Our unemployment rate is at 12 and one-half percent. At the time of signing of AB32, the unemployment rate was below 5 percent," said Logue.



California's long history of voter referendums may have significant impact this fall if the public gets a chance to speak to this point. With 71% of the people more worried about the economy than climate change this is a strong message that elected officials cannot ignore. I suppose there are similar numbers across the country right now with more interest in putting food on the table than the size of a family's carbon footprint. TW

High-Speed Rail Plan Flawed, says Legislature's Financial Analyst

Los Angeles Times – January 11, 2010

California – The business plan for California's \$42.6-billion high-speed rail network between San Diego and San Francisco has a major flaw, according to a new report by the legislature's nonpartisan financial watchdog. The Legislative Analyst's Office report said the state High-Speed Rail Authority failed to sufficiently study what to do if ridership is low for the new trains, creating a potentially massive funding gap.

At a hearing of the Assembly Transportation Committee, fiscal and policy analyst Eric Thronson, submitted the office's report, which called a risk assessment in the business proposal "incomplete and inappropriate for a project of this magnitude." He added that no backup plan has been identified to maintain the rail network if it fails to bring in 41 million riders annually. The voter-approved bond measure to help fund the train system forbids public funds from being spent on operations.

A spokesman for the state rail authority said the risks would be addressed in the future, when

contracts are entered into with private groups detailing investment amounts for building the project, and the extent of financial responsibility if ridership levels fall short of expectations.

Alaska Gov. Seeks Gas Tax Suspension

Associated Press – January 12, 2010

JUNEAU, Alaska – The governor of Alaska is renewing his call for the state legislature to suspend the motor fuel tax for two years, and has a bill prepared for when lawmakers begin the 2010 session January 19. A previous suspension expired last September, after legislators rejected Gov. Sean Parnell's call to renew the suspension at the August special session overriding Palin vetoes.

The taxes raise about \$40 million annually for the state. Legislative Democrats responded by saying Parnell would do more to relieve consumers burden by supporting their "price gouging" bills to cap refineries margins at 10 percent higher than what is charged in Washington state. "The state gas tax is eight cents and we're 70, 80, 90 cents a gallon higher than most other states," said Anchorage Democratic Rep. Pete Petersen.

N.J. Gov-Elect Fills Two Transportation Positions

NorthJersey.com – January 11, 2010

New Jersey's Governor-elect Chris Christie has named a new transportation commissioner and the new head of NJ Transit. Former Federal Transit Administrator James Simpson has been selected to run the New Jersey Department of Transportation. Simpson served as commissioner of the Metropolitan Transportation Authority in the mid-1990s and was the Federal Transit Administrator from 2006 through 2008. Simpson will replace outgoing transportation commissioner Stephen Dilts.

Christie named former department of transportation commissioner Jim Weinstein as chief of the state's largest transit agency, as the current executive director of NJ Transit, Richard Sarles, announced his retirement on Monday as well.