



In This Issue

- Ex-Labor Secretary Accused of Defrauding Construction Co. Partner
- San Diego's First Tollway a Success
- NJ Senators Call for 45 Percent Toll Increase
- FAA Bill Hits Turbulence
- More Turn to Trains Amid Rising Gas Prices
- Oil Prices Hit Communities Hard
- HOT Lanes Make Smooth Debut
- Nevada Law would Raise State Gas Tax if Federal Tax is Suspended

Ex-Labor Secretary Accused of Defrauding Construction Co. Partner

Newsday.com – May 6, 2008

Florida - Former U.S. Secretary of Labor Raymond J. Donovan is being sued for fraud by his former business partner in the sale of their heavy construction company. Donovan, who served in President Ronald Reagan's Cabinet, is seeking to have the lawsuit dismissed, calling it "an outrageous action."

Ronald A. Schiavone, founder and former chief executive of Schiavone Construction Co., is accusing Donovan of secretly negotiating with buyer Dragados Dragados SA of Madrid for almost a year. When Schiavone was informed last July that Dragados had signed a letter of intent to buy the company for \$150 million, he was forced to cooperate to avoid letting the value of his 52-year-old company plummet, according to court documents. The sale was made final last December, when Donovan was then the president of Schiavone.

Donovan, now in his late 70's, resigned from Reagan's Administration in 1984 to fight a fraud indictment along with other Schiavone executives, for which he was eventually acquitted. Donovan's lawyers are trying to move the case out of federal court, because both Donovan and Schiavone live in the same state- Florida.

The suit accuses Donovan of working for years to take full ownership of the company, "by purchasing it from Schiavone's estate at an unfair and dramatically reduced valuation." Schiavone is now 82.

San Diego's First Tollway a Success

The San Diego Union-Tribune – May 5, 2008

California - Transportation officials in San Diego County are celebrating the success of their first tollway, the South Bay Expressway, which is meeting expectations with an average of 30,000 drivers each weekday. The \$843-million, privately run roadway has been open for about six months, and has given drivers some much-needed relief from the daily gridlock.

Ben Monzon of Chula Vista said the new road saves him about 20 minutes every day on the morning drive to his Rancho Bernardo office. "And to me, time is everything," he said. The 10-mile, four-lane tollway connects to State Route 54 in Spring Valley, linking the South Bay to East County, ending just before the U.S.-Mexico border.

Caltrans officials say the tollway has had a positive effect on other major roads in the area. The agency reports that the traffic volume on northbound I-805 has decreased by 11 percent in the past six months, with speeds rising from 45 mph average to 65 mph.

South Bay Expressway Ltd. Partnership, an extension of major toll road operator Macquarie Infrastructure Group, signed an agreement in 1991 to operate the roadway for at least 35 years, before turning it over to the state. The tollway generated an average of \$54,600 in daily revenue from mid-January through March, most of which went back into tollway operations. "It's been a very good start-up," said Greg Hulsizer, chief executive officer of South Bay Expressway, "It's performing pretty much like we thought it would."



"And to me, time is everything." That statement sums up how people see their lives right now. It's why SR 91 in Orange County has been such a success.. Time is a commodity we don't seem to have enough of. User pay systems recognize this and will continue to be successful because of it. Congratulations to Greg and all who worked to make the South Bay Expressway a reality. TW

NJ Senators Call for 45 Percent Toll Increase

South Jersey News Online – May 6, 2008

TRENTON, N.J. – Top lawmakers are calling for a 45-percent toll increase on the New Jersey Turnpike, saying the turnpike officials should invoke their authority to increase revenue that could be used to widen toll roads and fix bridges. Improvement plans for several New Jersey toll roads, some of the busiest in the country, have been suspended because of the fierce opposition to Gov. Jon S. Corzine's proposal to establish a new department that would drastically increase tolls and borrow money to fund transportation and pay off state debt.

As Corzine considers the best alternative, the New Jersey Turnpike Authority still has the power to hike tolls on the New Jersey Turnpike and the Garden State Parkway. The governor can veto decisions by the authority, but Senate leaders have encouraged Corzine to let the agency make a move instead of waiting for another option to fund transportation and pay state debt. Legislators

do not have the authority to increase tolls.

Transportation Commissioner Kris Kolluri has reported that a 45 percent toll increase is necessary to repair toll roads and bridges.

"No one wants to raise tolls, but the costs go up, and if I can improve my commute, use less gas, get there safer and quicker, there's a balance," said Senate Majority Leader Stephen Sweeney, D-Gloucester. He noted that lawmakers and the public don't want toll money used to pay state debt, but would support a toll hike to widen the Parkway and Turnpike and repair bridges on them.

FAA Bill Hits Turbulence

Scripps News, DC - May 7, 2008

WASHINGTON – Legislation to boost airline safety and upgrade the country's air-traffic-control system has been derailed after a partisan argument in the Senate. The bill needed 60 votes to move forward, and the procedural vote was well shy of that, at 49-42. This likely means the end of congressional efforts this year to reform the Federal Aviation Administration, improve industry safety and modernize the delay-prone, aging and overburdened air-traffic-control network.

Consumer groups will suffer the biggest setback from the outcome, as they were backing several important measures including a passenger bill of rights, and airports were hoping to secure approval to increase ticket fees to fund airport-expansion projects. Airlines and the Bush administration had supported certain aspects of the bill but opposed others.

The House approved its version of the measure last year, but the Senate remained stalled until a string of oversight lapses with the FAA this spring rekindled the debate. For now, however, the Senate will likely opt to extend the current law through 2009.



Our nation's air traffic control system is antiquated and is beyond the need for replacement. Doing so will be complicated, costly and take leadership in both the administration and Congress. Our airspace is not over capacity. More capacity exists than we are using. The issue is how we manage that capacity. These issues won't be any easier to solve in the next Congress but the delay will impact us all. TW

More Turn to Trains Amid Rising Gas Prices

The Beacon - May 7, 2008

Boxborough, Mass. – More people are turning to commuter rail in Massachusetts as gas prices continue to skyrocket. However, the recent spike in ridership has highlighted existing problems in Boxborough, a community in Middlesex County., including a crowded parking situation near the South Acton stop and efforts to establish a town shuttle bus service.

On April 6, the average cost of a gallon of gasoline in Massachusetts reached \$3.58, the highest price ever recorded in the state, according to AAA Southern New England. With inflation taken

into account, the current gas price is nearing the all-time high set by the gas crisis in the early 1980's.

Gas prices aren't the only thing poised to shatter records. Coupled with the rising gas prices, MBTA ridership – including buses, trains and commuter rail – is expected to break its previous record set in 2001 of 354 million trips. Last year was the second highest, with about 353 million trips.

"There is no doubt that gas prices play a role in the recent increases in MBTA ridership," said Joe Pesaturo, a spokesman for MBTA. The authority is planning improvements to the Fitchburg Commuter Rail Line, which includes the South Acton stop, that are expected to cut the commute time into Boston from about 90 minutes to 60 minutes.

Selectman Lauren Rosenzweig, who recently took over as board chairman, is part of a team looking into adding a shuttle bus service to move people around town, including to and from the train station. "A lot of people said they wanted to do the right thing and take commuter rail, but when they got to the train station there wasn't any parking and that kind of deterred them," she said. She added that angst may be just what the town needs to encourage residents to get involved in finding alternative forms of transportation for environmental and economical reasons.

"People are really starting to feel the impact," said Rosenzweig. "I think it will definitely increase interest and support for these initiatives."

Oil Prices Hit Communities Hard

Evening Observer, NY - May 4, 2008

Mayville, N.Y. - The rising cost of highway services relating to the use of oil products has had a wide-ranging effect on municipalities across the nation, depending on whether those communities have extra cash to balance their highway budget to account for the cost increase. However, municipalities that do not have extra money will be forced to decrease the amount of work they perform over the summer.

In 2007, the Chautauqua County's Public Facilities Department did highway surface treatment for more than 250 miles of highway, completing more than 100 miles of major highway work. The department planned to increase the work load this year, and treat about 285 miles of road, but less than 20 miles of major highway work will be done. "Not only did we receive a reduced amount of money, but we also have to deal with the cost of materials rising," said department director George Spanos.

Other municipalities that have been able to adjust their budgets to allow more money to go toward highways have been able to keep the summer construction work schedule. Those departments are still affected by the cost of oil, however, and are minimizing other efforts that require out of town travel and high-traffic projects like brush collection.

HOT Lanes Make Smooth Debut

Washington - This week's debut of Washington's Highway 167 HOT lanes between Renton and Auburn went smoothly, with about ten percent of drivers on the route using the lanes the first day, saving them an average of five minutes, according to state transportation officials. Tolls for the lanes will vary depending on the level of traffic, with a minimum of 50 cents and a max of \$9.

If tolls reach \$9, the lane is considered full and will switch back to HOV only, with new solo drivers not permitted. The lanes can handle about 600 drivers in the peak times, although it may take a while for the demand to reach that level.

"Being a new system, people are waiting and seeing, and not jumping to buy in," said Patty Rubstello, project manager for the DOT. Approximately 9,600 drivers signed up in advance for a prepaid account, in which a transponder in the car makes deductions.

Eight miles of southbound HOT lanes were built and 12 lanes northbound, in which buses and carpools of two or more can continue to travel in for free. Federal Highway Administrator James Ray, who is encouraging HOT-lanes projects across the nation, said the opening of the lanes went well. The state received \$5 million of the \$18 million start-up cost from the federal government.

Nevada Law would Raise State Gas Tax if Federal Tax is Suspended

KVBC, NV - May 6, 2008

LAS VEGAS – Nevada drivers may be left out of the gas tax holiday being pushed by two presidential hopefuls if Congress approves the measure, according to a state official. A state law would increase fuel taxes to offset a drop in the federal tax, to cover funding for construction projects and bond funding, said Kent Cooper, Nevada Department of Transportation assistant director of planning.

"It was put in place as protection, should the federal program go away," Cooper said. The Nevada law calls for increasing the state gas tax, "equal to the amount by which the federal tax is reduced." The fuel tax provides some of the \$235 million Nevada receives from the federal government each year for road construction and maintenance.

Sen. John McCain, R-Ariz., and Sen. Hillary Clinton, D-N.Y., have proposed putting the 18.4-cent federal gas tax on hold from Memorial Day through Labor Day as a way to offset the rising price of gasoline for motorists.



What would you do with your \$28? I asked that question during my luncheon speech at the ACEC conference in Lincoln this week. Two trips to Subway was one response. Not even a half a tank of gas was another. Not sure was another. These answers put the idea in perspective. It reminds me of the time my net pay raise at the Arizona DOT was less than six dollars a paycheck after taxes and the increase in my insurance premiums. I couldn't even take my family to McDonalds for that amount. TW

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