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\$685M Highway Complete After 10 Years

Standard Examiner – September 10, 2008

WOODS CROSS, Utah – After more than ten years of anticipation, motorists in northern Utah will soon have an alternative option for their commute into Salt Lake City. Threatened and delayed by lawsuits, court injunctions and public opposition for building on a federally protected wetland, the 14-mile \$685 million Legacy Parkway and Nature Preserve is the south Davis portion of the Legacy Highway Project. The highway is envisioned to eventually extend approximately 140 miles from Brigham City to Nephi.

Scheduled to open this Saturday, the project was first proposed in the mid-90's when state legislators and transportation officials recognized that space for I-15 was running out. Construction began in January 2001, but work was soon delayed by impending litigation that summer. A federal court allowed construction to continue, but in November 2001, work was stopped after an injunction by the 10th Circuit Court of Appeals in Denver.

Full construction was finally able to begin in December 2006 after the Utah Department of Transportation released a supplemental environmental impact statement addressing construction plan deficiencies and the Legislature approved a compromise between UDOT and opponents from Utahns for Better Transportation and the Sierra Club's Utah chapter.

The completed parkway has already received a scenic byway designation and will feature a 2,225-acre wildlife preserve, as well as a multi-use trail system, a 55 mph speed limit, "quiet pavement," and a ban on large trucks to restrict noise disturbance for surrounding wildlife. Sierra Club representatives say the design is a complete 180 from the initial interstate-style, six-lane

freeway that would have spawned big-box retail stores and harmed nearby wildlife.

Transportation officials expect 30 percent of I-15 traffic to move to the parkway, and \$2.5 million has been set aside to study the possibility of bringing bus rapid transit and light-rail transit to southern Davis County.

Bridge Repair Program Unfocused, says GAO

San Diego Daily Transcript, CA - September 9, 2008

WASHINGTON – A federal program for funding bridge repairs is ill defined and lacks sufficient standards, resulting in some of the largest and most seriously deficient bridges in the country not being repaired, according to congressional investigators. The Highway Bridge Program that doled out over \$4 billion for bridge repairs in 2007 has become so general that “nearly any bridge” potentially qualifies for federal aid, said a draft of a Government Accountability Office report released this week.

Structurally deficient bridges have decreased by 22 percent in the U.S. from 1998 to 2007 – from 93,118 to 73,519 – but the majority of improvements have been to rural and locally owned bridges, rather than the major bridges that carry the most traffic, the report said. “The federal interest in bridges lacks focus, there are no effective measures of program performance, and the impact of the increasing federal investment in bridges is unclear,” the report stated.

The Federal Highway Administration, which manages the bridge program, issued a statement saying the agency has “long cautioned that Congress’ insistence on establishing over 100 federal transportation programs presents states with needless overlaps, conflicting guidance and cumbersome process requirements. That is why we have called on Congress to significantly reduce the number of federal programs so states can be provided with clearer direction on how to ensure that crucial infrastructure needs are fully met.”

Some bridges are not repaired because it is simply too expensive such as the Pulaski Skyway — a 3.5 mile bridge that connects New York and northern New Jersey that's crossed by 85,000 to 95,000 people a day. The bridge is over 75 years old and has a zero sufficiency rating — the lowest possible rating on a scale of zero to 100 under the bridge program, Kris Kolluri, New Jersey's transportation commissioner said.

The Pulaski Skyway has not been repaired because the project would cost over \$1 billion. Forced to decide how to divide the several hundred million dollars in federal bridge funds that New Jersey receives annually, the state decided to spread the money among its 2,500 bridges instead, Kolluri said. “We've decided to make sure every bridge gets a little bit so none is left behind, and every year more bridges graduate to the structurally deficient list,” he said.

One of 12 Highway Projects on Hold

Arkansas Democrat Gazette, AR - Sep 9, 2008

Arkansas - State transportation officials in Arkansas withdrew one project from a list of 12 scheduled for bid this week due to uncertainty over federal funding. U.S. Transportation Secretary Mary Peters announced last Friday that her department will be cutting back and delaying federal payments for state highway projects because of a shortfall in the federal Highway Trust Fund.

Since the federal government has previously helped pay for 80 percent of the cost of state highway projects, Peters acknowledged that the agency's move would likely delay projects across the nation.

With an estimated \$48 million in projects scheduled to be open for bid this week, Arkansas Highway and Transportation Department officials decided they could move forward on all but one of the dozen planned. Arkansas typically receives \$505 million annually in federal reimbursements.

"We're going to hold that back," said Arkansas Highway Commission Chairman Jonathon Barnett said. "We feel like it's best to go ahead and pull that one because of uncertainty. We feel like we can pull it off, but we don't know how long it's going to last. The feds have got to do something."

In Oklahoma, the state Transportation Commission delayed awarded 32 projects worth \$80 million, which were opened for bids last month. The state said it also planned to cancel this month's bid letting, delay work orders on projects already awarded, suspend acquiring rights of way and look for ways to halt construction on existing projects while maintaining public safety.

Kansas DOT Expresses Funding Concerns

Fort Scott Tribune, KS - Sep 8, 2008

Kansas - The head of the Kansas Department of Transportation has ordered agency staff to develop contingencies to deal with the federal government's announcement of plans to postpone critical reimbursements to states beginning next week. All states were put on notice Friday by the FHWA because of the minimal balance in the federal Highway Trust Fund, saying they should expect partial payments (potentially 70 percent) until Congress solves the funding problem.

"This is a serious blow to KDOT's cash flow and, as a result, we may not be able to proceed with projects," said KDOT Secretary Deb Miller. KDOT typically gets \$3 million to \$7 million per week from the FHWA. "This not only affects state projects, it will have a dramatic impact on cities and counties that must have federal money to complete much needed projects on local infrastructure," she said.

The Highway Trust Fund dropped to below \$1.4 billion in August because of an imbalance between revenue and requests, KDOT said in a statement. Fuel tax receipts are the main source of revenue for the fund, and have been significantly less than normal for the past several months.



Most of you have heard by now that Congress passed the \$8 billion fix that the Highway Trust Fund needed to stay solvent for the time being. Nevertheless, I put these two stories in the Tom Warne Report this week to illustrate how tenuous the transportation funding picture is in the U.S. and how even the slightest issue disrupts

projects across the country. The good news is that the "band-aid" Congress provided solves the immediate crisis. The bad news is next time there will not be a simple fix available to capitalize the HTF. TW

Republicans Urge Corzine to Block Turnpike Toll Hikes

Burlington County Times – September 9, 2008

New Jersey - Three Republican state legislators are urging Gov. Jon Corzine to use his authority to veto a proposal by the New Jersey Turnpike Authority to raise tolls on the turnpike and the Garden State Parkway. In a letter to Corzine last week informing him of their plans to introduce a toll hike, the agency said it would not be able to meet its debt-service obligations if tolls were not raised.

The agency's proposal is to hike tolls on the Garden State Parkway from 35 cents to 50 cents at some toll plazas and from 70 cents to \$1 at others. In 2012, tolls would be raised by 25 cents, and by another 8 cents in 2023. On the New Jersey Turnpike, the proposal calls for an average increase of 60 cents per passenger car in 2009, with an additional 90 cents in 2012 and again by 30 cents in 2023.

The funds would be used to pay down debt and for multiple improvement projects. The authority is also planning to invest \$1.25 billion in a mass transit tunnel between New Jersey and New York, which it said will reduce congestion on the turnpike.

Assemblywoman Dawn Marie Addiego, R-8th of Evesham, said she was concerned that the toll hike revenues would be used for a tunnel in Hudson County that she said would benefit North Jersey residents more than those in her district. All three legislators noted Gov. Corzine did not veto the Delaware River Port Authority's toll hikes approved last month.

Senator's Opposition to Highway Funding could cost NH 1,800 Jobs

Dover Community News, NH - Sep 8, 2008

PORTSMOUTH, N.H. – A move by a New Hampshire senator could cost the state more than 1,800 jobs and \$52 million in federal highway funding. Sen. Judd Gregg could also delay key projects, such as the repairs to the Memorial Bridge in Portsmouth, according to state department of transportation spokesman Bill Boynton.

"This money represents one-third of our federal allotment," Boynton said. "The Memorial Bridge project could definitely be impacted if you take away one-third of our funding."

Leaders of the state's transportation industry called on Gregg this week to join the Bush Administration, New Hampshire Gov. John Lynch and other state leaders in support of bipartisan legislation to restore about \$52 million in federal highway revenue to the state. Gregg was unyielding in his opinion that states should not receive the money if the revenue was not

forthcoming.

"It is obvious that the Highway Trust Fund is facing a shortfall; however, borrowing money from future generations by raiding the General Fund and adding to the federal debt – which is already facing a half a trillion dollar deficit next year and over 60 trillion dollars of unfunded long-term debt – is not a logical way to pay for road construction projects today," the senator said. He added that raising the gas tax to fill the funding gap was not a favorable option in his view either. "I believe we should use a pay-as-you-go approach and build roads as we can afford them."

FHWA Rejects I-80 Toll Proposal

U.S. DOT News – September 11, 2008

WASHINGTON, D.C. – Federal regulators announced Thursday that they rejected Pennsylvania's proposal to toll I-80, and Gov. Ed Rendell urged lawmakers to quickly adopt an alternative – the long-term lease of the Pennsylvania Turnpike. Under a revised proposal submitted July 22, 2008, PennDOT would transfer I-80 to the Pennsylvania Turnpike Commission and make payments.

"Tolling interstates is a viable option for many states to fund highway improvements or to improve performance conditions," Highway Administrator Tom Madison said. "Because we are legally bound to ensure applications for this program meet all congressionally mandated requirements, however, we are regrettably unable to approve this application."

The FHWA said the Commonwealth's application did not meet legal requirements for the correct use of toll revenue, because it called for the Turnpike Commission to use toll revenue to pay annual lease payments to PennDOT. The agency said that while under the program toll revenue can be used for lease payments, the amount of the payment is required to be based on an objective market valuation.

"There is simply no evidence that the lease payments are related to the actual costs of acquiring an interest in the facility," explained Madison. "Although we are unable to move the application forward, we stand ready to assist the Commonwealth in finding creative ways to address its transportation needs."



This is an unfortunate setback for those considering tolling the interstate highways in their states. One of the purposes of the PA proposal was to spin off excess revenue to other projects in the state much as Indiana did when they leased their system a couple of years ago. If Congress prevents FHWA approval for projects where this is anticipated then there will probably be few proposals advanced to toll interstate highways. Missouri has considered tolling I-70 for the benefits to that corridor as well as those that would accrue to other routes around the state. Without the collateral benefits of tolling the interstate it will be hard to garner enough statewide support for that kind of project. TW

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