The TOM WARNE REPORT "Inside State Transportation"

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Editor's Note: We have now reported on a number of states that are putting projects on hold due to declining revenues. Georgia and Utah made the most recent announcements. The truth is, more are in the works; everything is relative in the current economy. Utah has weathered this storm comparatively well in relation to other states and yet is still taking a conservative approach to their program by putting a hold on some projects.

Those who think states with weaker economies will survive better than Maryland, Virginia or Utah are kidding themselves. Most have yet to take stock of their situation or have not yet revealed the true state of their transportation programs to the public: more states will "come clean" in the months ahead. I don't think any state will be spared this "correction" in their STIP.

What is our take on the results of this turmoil? Truthfully, two factors will contribute to the answer to this question. First, the outcome depends on what happens with a stimulus package that includes infrastructure investment. Second, states with sound programs, more conservative STIPS and relatively stronger economies will recover first. We predicted which ones will do well in the short and long-term in our recently published State Capital Program Forecast Reports on all 50 states. (Available at tomwarnereport.com). Those predictions still hold. I believe the states that showed the most promise a couple of months ago will be the same ones to survive best and recover soonest. TW

We will be taking the next week off to spend the Thanksgiving holiday with our families. May each of you have a wonderful holiday with yours. The next issue of The Tom Warne Report will be published on December 5, 2008. TW

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Nissan Partners with Oregon for Electrical Car Charging Stations

Portland Business Journal – November 19, 2008

Oregon - Automaker Nissan Motor Co. and the state of Oregon have announced a partnership to promote the development of a network for electric vehicle charging. Nissan has committed to supplying electric vehicles for the state's fleet in 2010, when the vehicles are introduced to the North American market.

The state department of transportation wants to develop charging stations in partnership with utility companies and local governments as part of the deal. Oregon and Nissan will create the charging network with electric utility Portland General Electric Co., which already has a head start on the process. This summer PGE began installing a model infrastructure across the metro area, with six charging stations across Salem and Portland, and six more in the planning stages.

The partnership is the second of its kind in North America for the Renault-Nissan Alliance. A similar agreement is in place with the state of Tennessee and the Tennessee Valley Authority utility provider, which covers most of Tennessee and parts of Alabama, Mississippi, and Kentucky, and small slices of Georgia, North Carolina, and Virginia. The alliance is also working on similar partnerships across the globe, including Denmark, Portugal, in Japan and with French electric utility EDF.

Toll Bridge over Mississippi River Feasible, Study Says

Memphis Commercial Appeal – November 18, 2008

NASHVILLE – A new toll bridge across the Mississippi River at Memphis could be financially feasible, according to preliminary results from a new study by Tennessee transportation officials. The state department of transportation will complete the study by February, to present the findings to the state legislature for approval and funding of all projects before construction can begin.

The Memphis toll bridge is one of four highway and bridge projects TDOT is studying, which could become the first toll projects in the state in decades. Local opposition to two other projects in the study have already caused them to be eliminated from consideration. The fourth project in the study for user-toll financing is a new bridge across the Tennessee River north of Chattanooga.

The announcements on the toll study came after TDOT's budget hearing this week with Gov. Phil Bredesen and other state finance officials. In the meeting, Transportation Commissioner George Nicely recommended replacement or repair of 200 structurally deficient bridges in the state by issuing $350 million in bonds. The bonds would be repaid over 12 years using federal bridge replacement dollars.

Tenn. Funding Shortage could Delay Road Projects

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WSMV, TN - Nov 18, 2008

NASHVILLE, Tenn. – Despite state budget cuts of up to 15 percent for 2009, Tennessee's governor said he does not plan to raise the gas tax to help pay for road projects that could be delayed or postponed as a result of the shortfall. Shortages on state and federal funding levels, combined with the drop in gas tax revenue from people driving less, have resulted in a $10 million shortfall within TDOT.

"We will probably have to put a hold on 100 percent state projects, things that are funded with 100 percent state money," said TDOT Commissioner Gerald Nicely. "I think we need to look at all of our areas where we can at least delay things."

Gov. Phil Bredesen said that the state's 21.4-cent-per-gallon gas tax will need to be raised at some point, but now is not the time to do it. "The same amount of money that funded the road program in (the) 1980s is obviously not sufficient to do it in 2015," said the governor, adding, however, that he will not bring up the issue until he knows he has lawmakers' support in both parties.

Mountain View Freeway Gets OK from Feds

The Salt Lake Tribune – November 19, 2008

Utah's plan for a Mountain View freeway has received approval from the federal government to proceed, if the state can afford to pay for it. The state's plan for the eight-lane freeway between the western Salt Lake Valley and northern Utah County has been widely praised by environmentalists and health advocates for the inclusion of both air-pollution filtration for nearby schools and a parallel transit system. The signing of the Record of Decision this past week is a major milestone for the project.

"Five years of collaboration has resulted in a balanced solution of roadway, transit and trails that fits within the framework of the communities," UDOT project manager Teri Newell said in a written statement. The state plans to spend $3.1 million to filter air insides schools and $1 million to monitor outside air. It will also pay for the relocation of Hillside Elementary school if school officials request it.

The state's environmental study and route approved by the Federal Highway Administration also includes plans for a bus rapid-transit system running on dedicated lanes. The next hurdle is getting the Utah Legislature to fund the $3 billion project, which will stretch along 5800 west from I-80 in Salt Lake City to 2100 North in Lehi and continue from there to I-15.

So far, the state has $360 million for the project, including a $290 million future-bonding package approved by the Utah Transportation Commission and $70 million in corridor-preservation funds from Salt Lake County.

For now, the state scaled back immediate plans and will begin constructing Mountain View as a four-lane expressway with traffic signals at major intersections. Depending on state budgets, the Utah Department of Transportation hopes to finish that much within the next two to seven years,

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said spokesman Nile Easton.

Utah Delays Road Projects worth $3B

Salt Lake Tribune – November 20, 2008

Utah - Transportation officials in Utah on Thursday announced an indefinite moratorium on all new construction projects in the state, representing $3.9 billion and 50 projects. That total includes $2.6 billion lawmakers previously steered toward the largest project affected by the decision – the 20-mile reconstruction of I-15 in Utah County. The move to delay all projects funded through sales tax in the state's general fund came after discussions over the past week with the Governor's Office of Planning and Budget.

"It's the responsible thing to do," said UDOT Executive Director John Njord. The department expected to receive over $300 million in sales taxes, however, a spokesman for the governor's office said it is unclear how much of that amount the state will actually receive. The governor's office said they do not have revenue estimates yet, but has requested UDOT "be proactive in helping us reign in current spending and furthering any obligation until we have a better idea of the budget situation," according to spokesperson Lisa Roskelley.

The Utah Department of Transportation will continue work on 178 current projects, worth an estimated $2 billion. State lawmakers said transportation will now become a top priority for the upcoming session, with options including a gas-tax boost, a vehicle-mileage charge and a quarter-cent sales tax hike expected to be on the table.

Utah joins several other states across the nation that have made major cuts to road building this year, including Virginia, Georgia, Kansas and Maryland.

New $1B Runway Opens at Sea-Tac Airport

Seattle Post-Intelligencer – November 20, 2008

SEATAC, Wash. – The long-awaited $1 billion third runway at the Seattle-Tacoma International Airport opened to commercial service this week, with U.S. Transportation Secretary Mary Peters attending the dedication ceremony. The first new runway at the 61-year-old airport since 1973 was one of the most heavily litigated and controversial construction projects in the state's history, with the final cost nearly five times the original estimate.

The opening will make two runways available for simultaneous use during rain and low visibility, and aviation officials expect delays to be reduced to an average of 2 ½ minutes per flight from ten minutes when service was limited to one runway.

Nearly 350,000, takeoffs and landings were recorded and 31.3 million passengers passed through Sea-Tac, as the nation's 18th-busiest airport. Port officials predict the new runway will save $4.76 billion in reduced delays for travelers and in lower fuel consumption and crew time for airlines over 25 years. The Port of Seattle has a $4.1 billion capital development plan to prepare for an

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anticipated 46 million passengers by 2024.

Secretary Peters dedicated two other new runways Thursday, one at Chicago O'Hare and another at Dulles International Airport near Washington, D.C. The three airports received a total of $643 million in federal airport improvement program funds for their new runways, which were estimated to cost $356 million in Washington, $455 million in Chicago and $1.1 billion in Seattle, according to the Federal Aviation Administration. Runway projects are also currently under construction at airports in Dallas-Ft. Worth, Philadelphia, Boston and Charlotte, North Carolina.

Next Federal Transportation Funding Bill likely to Eye Air Quality

Land Line Magazine – November 18, 2008

The first significant federal transportation funding bill after the collapse of the 35W bridge in Minnesota will likely include an unprecedented emphasis on air quality and goods movement. Barbara Boxer, D-CA, reported last week that her version of the next transportation funding proposal will strongly focus on the relationship between emissions and the movement of goods, specifically diesel trucks.

Boxer, who chairs the U.S. Senate Committee on Environment and Public Works, spoke at a transportation briefing in San Diego Nov. 14. She quoted the California Air Resources Board's research regarding goods movement as it relates to trucking, saying the high volume of truck traffic is projected to double by 2035.

"Nowhere is the need to improve goods movement more clear than in California," the senator said. "For example, 45 percent of all containerized cargo destined for the continental U.S. passes through California's ports ... Not only does congestion cost time and money due to delays, it is a major contributor to increased transportation related emissions."

Boxer said according to CARB statistics, an estimated 2,000 deaths each year in California are caused by diesel emissions, in addition to billions of dollars in medical costs. "The next highway, transit and highway safety authorization provides an opportunity to take a fresh look at these programs and make the changes necessary to ensure our transportation system will meet the nation's needs in the coming years," she said.

Given the current state of the economy and the current strong interest in climate change in our country, it should come as no surprise to anyone that the next highway bill will fundamentally change the way we do business. These changes will impact every facet of our industry including state DOTs , engineering consulting firms, contractors and suppliers. The real question to each of our readers is, "What are you doing to prepare your organization for this new paradigm?" TW

Georgia Joins States Postponing Road Projects

Land Line Magazine – November 13, 2008

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Georgia - The number of states delaying transportation projects because of the funding shortfall caused by fuel taxes continues to grow, with Georgia recently joining the list. Transportation officials announced 11 projects in the Atlanta area are being put on hold, including a planned new four-lane freeway linking U.S. 41 to I-75.

The Georgia Department of Transportation has purchased land for the projects, but has not progressed further.

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