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## S.C. Cuts Transportation Lobbyists

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*TheNewspaper.com, DC - Feb 26, 2008*

*S. Carolina* - Tax dollars in South Carolina will no longer go toward funding transportation lobbyists in Washington, D.C. State Transportation Secretary H.B. Limehouse Jr. recently announced a plan to reduce wasteful spending in the agency, and eliminating Washington lobbyists was a top priority.

"I have worked with the South Carolina Department of Transportation Commission to make us more efficient in the way we do business, particularly in the area of getting the most for the taxpayer's dollars," Limehouse said in a statement.

SCDOT will save over \$1 million over the next four years by cutting the lobbyists. Secretary Limehouse has been in office for less than a year, and has already made more than \$18 million one-time budget cuts to unnecessary contracts, travel and phone bills, as well as another \$10 million in annual savings. The money saved is going toward repairs for existing infrastructure.

## Report: Bay Bridge Tolls may double by 2013

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*Annapolis Capital, MD - Feb 26, 2008*

*Maryland* - Transportation officials in Maryland are refuting a state report that says the Bay Bridge tolls could double by 2013. Despite the projections by the state's nonpartisan Department

of Legislative Services which estimate that increasing debt and operation and maintenance costs will leave the Maryland Transportation Authority little other options.

However, state transportation officials say that the report's projections are inaccurate given the agency's efforts to curb costs. "We do not at present have any plans on raising tolls," said John Porcari, the state secretary of the Department of Transportation. "We are working very hard on a cost-containment plan."

The report, prepared independently of the transportation department, said that although tolls have been raised four times since the bridge's opening in 1952, the cost to cross the bridge has actually gone down over the past 20 years. Toll increases in 2001 and 2003 have been mostly offset by commuter discounts, which can cut commuter costs by up to 84 percent, the report stated. The DLS also reported that the MdTA will eventually be so burdened with debt, it may even have to lease one of its facilities to a private partner.

The agency plans to issue \$2.8 billion worth of debt over the next four years to increase its capital budget, and annual debt payments will increase from \$24.7 this year to \$201.2 million in 2015, according to the report. Porcari argued that the financial problems of the MdTA were "inherited" from the previous administration, and \$183 million in capital projects has already been eliminated. "We don't necessarily agree with the (DLS) analysis," he said. "We have been very focused on scrubbing operating and capital costs. We are focused on efficiency and effectiveness."

## **Legislature Overrides Veto for \$6.6B Transportation Bill**

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*Minneapolis/St. Paul Business Journal* – February 26, 2008

*Minnesota* - The Minnesota House and Senate joined to override the governor's veto of a \$6.6 billion transportation package. The House approved the new law with a 91-41 vote. Gov. Tim Pawlenty vetoed the bill last week, saying the bill's tax increase is too high, but the Senate later overrode the veto 47-20.

With an 8.5-cent gas tax increase over seven years, the bill will bring \$660 million in new transportation funding in addition to funding various road projects across the state. The tax increase includes 3.5 cents per gallon to help pay for \$2 billion in road and bridge bonds.

Governor Pawlenty called the vote that passed the first state gas tax increase in 20 years a bad move. "Raising taxes is always the DFL's (Democratic-Farmer-Labor Party) go-to solution and that's bad for Minnesota's families and our economy."

## **States Agree on \$640M Mississippi River Bridge**

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*St. Louis Business Journal* – February 26, 2008

*Illinois, Missouri* - Illinois and Missouri officials have come to an agreement to build a \$640 million bridge across the Mississippi River, connecting the two states. State officials compromised on a toll-free bridge with two lanes in each direction, instead of the eight-lane bridge in the original

plans.

The St. Louis region will pay for \$75 million of the bridge costs if approval is received by the East-West Gateway Council of Governments. "Any decision on using federal funds for a new Mississippi River Bridge will be considered by the 24 voting members of the board of the East-West Gateway Council of Governments, which represents the entire region," D.J. Wilson, an East-West spokesman said in a statement. "The board is on record as designating a new bridge as a top regional priority so if a proposal is offered to the board, it would be reasonable to expect that the board would consider it carefully."

Missouri has guaranteed the cost of the bridge to Illinois officials, and has promised to cover any cost overruns. Illinois will pay for the interchanges and connections. It is yet unknown how much each state will pay for their portion of the project.

The question of how to pay for the massive project has been the biggest roadblock since the idea was first proposed in a report by the East-West council in 1991. A major portion of the funding - \$239 million - has already been secured through federal funding.

## **Feds Pledge Support for 2 Metro Light Rail Projects**

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*Houston Chronicle* - February 26, 2008

*Texas* - Two light rail lines in Texas have received a commitment of the Federal Transit Administration to help the Metropolitan Transit Authority qualify for funding by the end of this year, according to state Sen. Kay Bailey Hutchison. The announcement came after a closed-door meeting with the senator, FTA Administrator James Simpson, Deputy Administrator Sherry Little, and other local and transit leaders, who were present to show public support which has previously been questioned by federal officials.

Sen. Hutchison said Simpson has pledged his support for the goal of the delegation, "and that is a full funding grant agreement by the end of the year." This agreement would allow Metro to complete the two lines as long as it followed federal requirements.

A series of small grants for preliminary studies have enabled Metro to push the projects forward to this point, and the agency has applied for \$500 million in federal funding to build the North and Southeast lines. Hutchison said with a full funding agreement is crucial, because "once that is committed to by the FTA, then it automatically goes into the budget and we don't have to fight for it."

The projects will be funded under the federal New Starts programs, which allocates funding, typically 50 percent of capital costs, for new mass transit projects. The estimated cost for the two lines is \$1 billion.

## **Governor says Fees can Raise \$202M Annually for Roads**

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*Oregonlive.com* - February 26, 2008

**BOISE** – Idaho’s governor is pushing for fee increases he believes can raise an additional \$202 million annually by 2011 to maintain the state’s roads and bridges. Gov. Butch Otter met with House and Senate transportation committees to discuss hikes including doubling car registration fees, and other proposals to generate more road funding such as a 4 percent rental car tax.

Otter has also suggested gradually increasing fees for commercial truckers starting July 1 to raise \$25 million in the first 12 months, and increasing the proceeds to \$50 million by 2011. He is hoping to accomplish this by working with lawmakers and the trucking industry to create a package that achieves his goals.

The largest portion of Gov. Otter’s package would boost personal vehicle registration fees to \$150 annually, an increase of \$24 to \$48 depending on the car’s model year. Even after the fee hike, Idaho would only rank 17th among states in vehicle registration costs, with the most expensive being Maine at \$425 to register a car.

Some lawmakers who disagree with the governor’s plan, are still searching for an alternative solution that will target drivers who place the greatest burden on the transportation infrastructure system. Regardless of the strategy, the Idaho Transportation Department says action must be taken to prevent the looming \$200 million annual shortfall in the coming years. If state leaders cannot agree on a solution, officials say they will be forced to develop a strategic withdrawal from maintaining some roads to leave enough money for its key thoroughfares.



*Dwight Bower of HW Lochner and I provided expert consulting services to the Forum on Transportation Investment - Idaho’s effort to quantify and validate their transportation needs as well as assess strategies for addressing their funding shortfall. The needs are real and the solutions challenging. Idaho is growing at one of the fastest rates in the nation and must move aggressively to meet the demands on their system.*  
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## Overseas Interest could Benefit Toll Roads

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*Philadelphia Inquirer Editorial, PA - Feb 27, 2008*

*Pennsylvania* - As Pennsylvania’s governor pushes for a private-sector lease of the Pennsylvania Turnpike to help relieve some of the state’s transportation financial burden, some lawmakers are attempting to ban foreign consortiums from leasing and operating the thoroughfare. The Philadelphia Inquirer suggests these efforts are ill advised, and ignore the global nature of business and could hurt the state’s economy.

Several of the bidders to operate the turnpike are U.S. subsidiaries of international companies, mainly from Spain and Australia. Although private financing for multi-billion dollar toll road projects is relatively new in the U.S., it has been used around the world for decades. International companies, therefore, have far more experience as private-sector toll road operators, and their experience and track record should be given careful consideration when looking for the best deal for taxpayers making a multi-billion dollar deal.

Even U.S.-based bidders such as JPMorgan, Merrill Lynch and Goldman Sachs get a large portion

of their capital from foreigners. The Philadelphia Inquirer notes that many Americans regularly invest in international companies, including the New Jersey Teacher's Fund, which is a major shareholder in Cintra, the Spanish toll-road operator. Americans regularly drive foreign cars, fly on foreign-made Airbus planes, watch the news on foreign-made TV's and use computers with foreign-made parts. But for some reason we don't want to drive on asphalt poured by a foreign company?

Lawmakers could be doing a huge disservice to taxpayers if they refuse to allow some of the top road operators in the world from working in Pennsylvania because they are not based exclusively in the U.S.



*We usually avoid editorials when we search each week for stories to share with our readers. This one though hits a subject that we will have to face on an increasingly frequent basis so we decided to include it here.*

*Ownership of companies and product origins has become an issue in certain states and industries. While you might drive a Toyota in Iowa, it was probably manufactured in the U.S., and the Ford in your driveway may have been built in Mexico. Many engineering and construction companies in our industry are partially or wholly owned by overseas interests. The global nature of our economy will only increase the frequency of this situation. The current state of the dollar makes U.S. companies particularly attractive right now, and we need to get used to it. Foreign investment and ownership are here to stay. TW*

## **Minn. Senate fails to confirm Commissioner**

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*Minneapolis Star-Tribune – February 28, 2008;*

*Minnesota* - The Minnesota Senate failed to confirm Lt. Gov. Carol Molnau's job as commissioner of the Department of Transportation, ending Gov. Tim Pawlenty's experiment of having his lieutenant governor cover both positions with a 44-22 vote. Gov. Pawlenty said he was "disappointed" by the Senate vote.

"If you look at Carol Molnau's time at Mn/DOT many positive things happened," the governor said at a Capitol press conference. He said he planned to announce a replacement for Molnau within a few weeks. In the meantime, Bob McFarlin, Molnau's top assistant since March 2003, has been named as acting transportation commissioner.

Several senators said the transportation department was in need of a fresh start, and Senate Transportation Committee Chairman Steve Murphy said he did not feel Molnau was a transportation advocate, although rejecting her confirmation was something no one enjoyed.

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