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Editor's Note: Last week I noted that the President had declared the ARRA program "ahead of schedule and under budget." This is common phraseology for our construction projects and has become the standard of performance in many quarters. I commented that it would be premature to declare this condition given the age of the program being less than 60 days. A vigilant reader pointed out that the statement was taken out of context by the writer of the original article we included in the Tom Warne Report. In actuality, the President was saying that the ARRA was ahead of schedule in terms of project lettings and that the bid amounts were coming in under state budgeted or programmed amounts. TW

TxDOT Weighs in on Money Crunch

Marshall News Messenger - April 23, 2009

Officials at the Texas Department of Transportation sent lawmakers a five-page memo outlining an impending cash crunch caused by a variety of factors including falling gas tax revenues and unstable federal funding in response to an inquiry from state senators pushing for more transportation funding.

"Our ability to finance new construction projects will only be possible if we make severe cuts in our maintenance program," says the letter from Texas Transportation Commission chairwoman Deirdre Delisi. The current maintenance funding of about \$1.1 billion annually for the state's 80,000-miles of highway is already about \$1 billion less than what is needed to prevent deterioration of Texas roads, said TxDOT officials.

Delisi continues that lawmakers are not looking at sustainable funding sources for the future in their consideration of bills to fund transportation and maintenance projects.

Gov. Wants Federal Funds for Electric Car Stations

Portland Business Journal – April 22, 2009

Oregon's governor is hoping to use federal stimulus dollars to help build a statewide network of charging stations for electric vehicles. Gov. Ted Kulongoski spoke this week outside Portland General Electric Co.'s downtown headquarters, saying his Oregon Way Advisory Group is meeting next week with state agencies and businesses next week to discuss opportunities for federal grants available from Obama's \$787 billion federal economic stimulus package.

The governor is supporting bills in the Legislature that would give buyers of all-electric vehicles a \$5,000 state tax credit and to give business tax credits for charging stations. Kulongoski has signed agreements with Mitsubishi and Nissan, and Portland General Electric, the state's largest utility, to create a network of charging stations.

The governor said Wednesday that the state's next step would be to request a portion of \$300 million in federal stimulus funds put aside for the promotion of electric cars and charging stations. Kulongoski said the state received expressions of interest from about 70 "public and private entities" who want to support the transition to electric vehicles. He added that the competition for the federal funds across the country is expected to be fierce.



We are going to try a hundred things to address our transportation challenges. Most of them probably won't make a meaningful difference. But try we must. The winners will forever change the landscape of our business. This initiative reflects a combination of risk and vision. It might not be the final answer but each iteration or idea leads us closer to that answer. We need to take more risks. People say the definition of insanity is doing the same thing over and over and expecting a different result. Let's be sane. TW

State Takes Funds Earmarked for Road Projects

YourWestValley.com - April 23, 2009

At the request of the state's treasurer, the Arizona Department of Transportation has repaid the state \$110 million – ahead of schedule – in loans used for funding obligations to help the state stabilize its financial crunch. Companies hired for highway projects will be affected by the move, as without the money, ADOT may be forced to delay payments to its hired contractors and their sub-contractors.

"When that happens for a small business, that really impacts people and their families," said ADOT spokesman Tim Tait. He added that he did not know if the move would affect highway projects currently in progress.

MnDOT Ahead of Schedule on Federal Stimulus Allocation

Minnesota Public Radio – April 23, 2009
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Transportation officials in Minnesota say they are ahead of schedule in meeting a federal deadline for spending the state's share of federal stimulus dollars, with more than half of their funding committed to transportation projects. This week the Metropolitan Council approved a group of road and bridge projects for the Twin Cities area to be funded with stimulus dollars.

MnDOT project manager Jon Chiglo said the agency will oversee \$360 million in stimulus funding. "We needed to obligate about \$175 million by June 30," Chiglo said. "So by obligating \$176 million by the end of last week, we had met that requirement as part of the legislation."

Chiglo added that by meeting the deadline, the state will also qualify for funds not used by other states. In addition, some bids for the road and bridge projects are coming in below the state's estimates, which will help stretch the dollars even further, he said.

Feds OK NM Transportation Reimbursements

The New Mexico Independent – April 22, 2009

The federal government has lifted a suspension on millions of dollars in reimbursements to the New Mexico Department of Transportation, agency officials said this week. But in a press release, Secretary Gary Giron said the state transportation agency "will be resubmitting all pending invoices worth approximately \$40 million in the coming days."

A spokesman for the state department of transportation said the Federal Highway Administration had essentially overturned last week's decision to suspend the reimbursements. "They're saying, 'We will pay you if you are meeting our format.' We are submitting our requests in that format."

The suspension occurred after a year and a half of the federal highway agency telling the state that their payroll and accounting system, called SHARE, wasn't adequately tracking and verifying payroll costs and capital assets, including land or buildings related to projects eligible for federal aid.

Arizona gets Federal Approval for New Freeway Stretch

Associated Press – April 22, 2009

PHOENIX – Arizona has received federal clearance to rebuild a stretch of Loop 303 approximately 20 miles west of downtown Phoenix as a freeway. The state department of transportation said Wednesday that the Federal Highway Administration's approval will allow the completion of the design and the beginning of initial construction on the project.

Loop 303 will initially be expanded from the current two to four lanes to a six lane freeway with 15 traffic interchanges between Interstate 10 and U.S. 60. ADOT says construction will allow for existing and projected traffic levels as well as increase the potential for business development along the stretch.

Nevada Senate Approves Toll Road Bill

Land Line Magazine – April 21, 2009

Senators in Nevada this week approved a bill that would authorize toll roads in the state, by removing the barrier preventing tollways. Sen. John Lee, D-North Las Vegas, said the intent of the bill is to discourage privatization contracts and would require private companies to go through a series of steps before building toll roads.

The bill, approved by a 15-6 Senate vote, would not allow existing roadways to be converted to toll roads, although portions of public highways could be converted as long as the same number of lanes remain open to the public untolled as well as tolled.

Toll roads would be supervised by the Nevada Department of Transportation. Another provision under the bill would establish a toll commission, to include the governor and lieutenant governor, which would set the fees to be charged instead of a private company. The bill will now head to the Assembly Transportation Committee, where opposition is expected. A similar measure was rejected there two years ago.