



## In This Issue

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- DOT Cancels Slot Auction Plans for NYC Airports
- \$300M I-5 Widening Project Advances in O.C.
- Fuel Tax Repeal would Kill Paper Mill Jobs
- MTA Victory over Bus Riders Union Upheld by Appeals Court
- Florida Tollway Given New Life
- Hawaii City Council Approves 3-cent Fuel Tax Hike
- TxDOT Reform Bill Advances to Senate
- Hundreds Sign Lawsuit over 'Illegal' Toll Tax
- Backlash Predicted in GDOT Shake-Up
- Fuel Efficient Cars? Not if it Means More Money Right Now

## DOT Cancels Slot Auction Plans for NYC Airports

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*The Dallas Morning News – May 13, 2009*

*New York* - U.S. Transportation Secretary Ray LaHood announced this week that his department is dropping the Bush administration's highly controversial proposal to auction runway slots at New York-area airports. Under the proposal from last October, the federal government would take a number of slots from airlines at New York LaGuardia, New York Kennedy and Newark airports and auction them off to the highest bidder in an attempt to address the region's air congestion issues.

The airlines and the Air Transport Association started litigation over the proposal, and because of a court-ordered stay, the auction plans have remained stalled in federal court. LaHood announced in a New York speech that the Obama administration would not move forward with the plan.

"We're still serious about tackling aviation congestion in the New York region," said LaHood. "I'll be talking with airline, airport and consumer stakeholders, as well as elected officials, over the summer about the best ways to move forward."

## \$300M I-5 Widening Project Advances in O.C.

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*The Los Angeles Times – May 13, 2009*

*California* – Transportation officials in Orange County are considering plans to widen a section of I-5 through Tustin and Irvine, where 365,000 cars jam the six-lane freeway every day. Officials estimate an additional 100,000 cars will travel that stretch within the next 20 years, and they believe eliminating the bottleneck between the 55 freeway and the 133 toll road is a viable solution.

The half-cent sales tax renewed by voters in 2006 would help fund the project, and many other transportation projects throughout the county with the anticipated \$12 billion in sales tax revenue. The I-5 widening project has been allocated about \$300 million from the sales tax revenue.

Directors at the Orange County Transportation Authority hired an Irvine-based company this week to study the project, which will help determine how many lanes may be added and the approximate time frame for construction.

## Fuel Tax Repeal would Kill Paper Mill Jobs

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*Bangor Daily News* – May 13, 2009

*LINCOLN, Maine* – Revoking the alternative fuel tax credit from a 2005 federal highway bill would force most paper mills in Maine to shut down and severely cripple Lincoln Paper and Tissue Co. LLC, a company owner said this week. The company's leaders are lobbying against the repeal in Washington, D.C., and are encouraging local residents to support the Maine federal delegation's efforts to preserve the tax credit for the paper mill industry.

"This is the worst period our industry has ever seen," Wissmann told councilors during a meeting Monday. "It's a global depression. It's the first time in the industry's history that every [paper industry] product has seen a decline in demand. Absent these credits, I am not sure we would be here today."

The 2005 tax credit was designed to increase the use of ethanol and other alternative fuels for cars and trucks, according to congressional sources, but paper mills have effectively adapted the process of mixing diesel fuel into the bio-mass they have burned for decades to power their operations. Paper mills have been granted hundreds of millions in tax refunds as a result, which is why some U.S. senators are pressing for the repeal.



*This story was interesting from a pure public policy viewpoint. It shows how complex the system of taxes and credits is in our country. Seemingly simple actions to help one industry can help or hinder another. The elimination of a credit for one group can have collateral impacts on others. Few have such a total comprehension of the tax code to be able to make changes for which no extended problems occur. TW*

## MTA Victory over Bus Riders Union Upheld by Appeals Court

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*Los Angeles Times* – May 6, 2009

The Metropolitan Transportation Authority has substantially complied with a consent decree requiring the agency to improve bus service to minority and low-income residents of Los Angeles County, according to a ruling by a federal appeals court that upholds a lower court ruling. The request of the Bus Riders' Union and other community groups to extend the court's supervision of the MTA beyond 10 years was rejected by the U.S. 9th Circuit Court of Appeals.

The groups complained that the authority failed to expand bus service, hold down fares, reduce overcrowding in low income areas where people relied on transit and service was sub-par.

The 1996 decree, which required the MTA to spend \$1 billion to purchase buses, increase service and maintain low fares, was found by U.S. District Judge Terry J. Hatter to have "served its purpose."

## Florida Tollway Given New Life

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*Florida Times-Union – May 13, 2009*

A Florida toll road that could bring 30,000 jobs to the Northeast region of the state may be back on track. The North Florida Transportation Planning Organization ranked the \$1.8 billion First Coast Outer Beltway as the most important construction project in the region because of the economic benefits the 46.5-mile roadway would bring, according to executive director Denise Bunnewith.

The tollway, connecting I-95 in St. Johns County to I-10 in Duval County, would be the first toll road built in the region in 20 years. The project was delayed by the state transportation department last year because of questions over whether property taxes would be charged on beltway land. A lack of funding forced FDOT to look at hiring a private contractor to build and maintain the roadway while charging tolls to reimburse its investment.

Lawmakers may have brought an end to the uncertainty last week, however, when they passed a bill that would exempt a private company from paying those taxes. Gov. Charlie Crist has not decided whether to sign the bill, but FDOT district secretary Charles Baldwin said the agency has begun meetings about hiring a private contractor.

## Hawaii City Council Approves 3-cent Fuel Tax Hike

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*Honolulu Advertiser – May 13, 2009*

The Honolulu City Council's Budget Committee has approved a 3-cent-per-gallon fuel tax increase to help alleviate the city's \$50 million budget shortfall. The measure, which would bring in an additional \$9 million annually, still needs approval from the full council and Mayor Mufi Hannemann.

Oahu motorists currently pay 16.5 cents per gallon in city fuel taxes. Committee chairman Nestor Garcia, who introduced the bill, said that with final approval, the proposed hike would take effect August 1.

## TxDOT Reform Bill Advances to Senate

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*The Dallas Morning News* – May 11, 2009

Texas – A bill designed to radically reform the Texas Department of Transportation was approved with a House vote of 138-6 on Monday, and now advances to the Senate. House lawmakers added numerous provisions to the bill, including the removal of the Trans-Texas Corridor from state law, phasing out red light cameras and checks against toll roads.

The bill would abolish the Texas Transportation Commission, consisting of five commissioners appointed by Gov. Rick Perry who have the final say on what roads to build, what agency policies to set and which companies will be hired. In its place would be a single, statewide commissioner chosen by voters, along with over a dozen regionally elected sub-commissioners.

The bill also calls for the elimination of Gov. Perry's Trans-Texas Corridor project, which planned to hire private contractors to build and operate billions of dollars in toll roads throughout the state.

## Hundreds Sign Lawsuit over 'Illegal' Toll Tax

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*Boston Herald* - May 12, 2009

Nearly 1,000 residents signed onto a class action lawsuit this week against the Massachusetts Turnpike Authority, claiming the turnpike tolls are "an illegal tax," because more than half of the revenue pays for Big Dig projects. Trial attorney Jan R. Schlichtmann, who filed the lawsuit in Middlesex court last week, contends that tolls can legally only fund roadways to which they provide access.

The lead plaintiffs in the suit have established a trust to divide up any judgements resulting from the case. Any Pike toll payer can sign on to become a beneficiary of the trust and a party to the lawsuit.

Christy Mihos, former Turnpike Authority vice chairman, said legislation passed in 1997 not only gave the authority responsibility for supervising the Big Dig but also gave it permission to use tolls to pay for the project. Mihos said the chances of the lawsuit resulting in a financial judgment are "slim to none."

## Backlash Predicted in GDOT Shake-Up

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*Rome News Tribune* – May 11, 2009

The extensive transportation overhaul planned by Georgia lawmakers to give themselves more power over how infrastructure funding is spent will result in a public backlash, according to State Transportation Board member David Doss.

"This places project selection squarely in the political arena; it makes the [Georgia Department of Transportation] very close to insolvent, and I think the public is going to be outraged when they see the impact," Doss warned. Gov. Sonny Perdue said he plans to sign the makeover plan which was narrowly approved by state legislators after heavy lobbying from Republicans who claimed transferring power of transportation funding to the governor and lawmakers would repair the dysfunctional system.

Gov. Perdue said the current structure pushes board members to set aside money for projects in their regions rather than focusing on a statewide plan. "The very fact that they're elected from a specific Congressional district, pledged to uphold and support that district, by its very nature does not lend to a statewide transportation plan," Perdue said. The transportation overhaul will give legislators more direct control over up to 20 percent of the annual transportation budget, which equals about \$400 million a year.

## **Fuel Efficient Cars? Not if it Means More Money Right Now**

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*CQpolitics.com* – May 11, 2009

Higher gas taxes will not lead Americans to buy more fuel-efficient cars, according to a poll released Monday. Eighty-one percent opposed raising taxes to encourage people to drive cars that get better gas mileage, while 10 percent were in favor of such an increase, said the nationwide survey of 1,000 adults by Rasmussen Reports.

A poll taken two years ago found similar results, with 86 percent opposing a proposed 50-cent hike per gallon of gasoline. The opposition to the fuel tax hikes did not vary much across political or age groups, although Democrats and younger respondents were slightly less opposed.

Twenty-two percent said they would pay more for a hybrid car to improve the environment, however 51-percent would be in favor of the government paying them more to buy an alternative fuel vehicle by way of tax cuts.