











In This Issue

-  'Enormous Number' of Transportation Jobs Coming, LaHood says
-  Las Vegas gives Pay-Per-Drive Plan a Serious Look
-  Illinois has not Submitted Projects for Stimulus Funding
-  Lawmakers: TxDOT gets First \$500M Wrong
-  Business Leaders Back 25-Cent Gas Tax Hike
-  Oregon Gas Tax Hike May Go Up
-  Macquarie Shares Plummet
-  Ga. DOT Board Ousts Commissioner

'Enormous Number' of Transportation Jobs Coming, LaHood says

Bloomberg – March 4, 2009

WASHINGTON, D.C. - An "enormous number" of jobs are on the way in the next several months by the \$787 billion U.S. economic stimulus package to fund transportation projects, according to Transportation Secretary Ray LaHood. "You're going to see an enormous number of people in the states working this spring, summer and fall in good-paying jobs," LaHood said this week in an interview with Bloomberg News.

The transportation chief said the \$28 billion investment in transportation projects will lead to immediate employment because the transportation departments will use the money for projects that only need funding to begin. Mass transit projects will receive an additional \$8.4 billion and high-speed rail will see an \$8 billion distribution, LaHood said.

The stimulus package signed by President Barack Obama last month aims to slow job losses, which have accelerated this year in the second year of the worst economic slump since the Great Depression.



The transportation agencies are uniformly pleased to receive the money from the stimulus bill. That said, for most part the whole deal is a "yawner." The dollars are relatively small compared to their existing funding shortfall and the projects they have delayed as a result. In addition, at only about half of their normal apportionment, it isn't enough money to "move the needle" given how bad things are financially. In my estimation, this is more about preserving transportation jobs and not creating them.

Creation would connote an influx above the normal amount of work. The ARRA funds only backfill a huge hole that grew during the last year in most states. TW

Las Vegas gives Pay-Per-Drive Plan a Serious Look

KTNV Las Vegas – March 3, 2009

Nevada - Drivers in Las Vegas may eventually have the option to pay their way out of the area's congestion under a pay-per-drive plan under consideration by Nevada transportation officials. Commuters could sign up for a transponder with the state transportation department that would keep a running tab.

"You would be charged for the distance that you use the express lanes," said Bob McKenzie with the Nevada Department of Transportation. "It's basically premium driving, yes. But it also helps with the congestion," because vehicles with three or more passengers gets a free pass.

NDOT is currently holding public hearings on the proposal, and has not yet decided what the cost would be. The system would apply to existing car pool lanes as well as some new ones, such as the 215 McCarran connector up to I-15 and to I-95 at Ann Road.



There are many who complain about Lexus lanes and about creating classes of drivers on the road. The vocal minority create the illusion of public discontent with this concept. In reality, the public understands paying for premium service. Those paying to drive in the SR 91 Lanes in Southern California come from all occupations and demographics. TW

Illinois has not Submitted Projects for Stimulus Funding

Chicago Tribune – March 3, 2009

Illinois has yet to submit an official list of shovel-ready transportation projects to receive federal funding under the economic stimulus package, U.S. Transportation Secretary Ray LaHood said this week, adding that time is running short. "The law requires us to get the money out the door very quickly," LaHood said. However, "we have not received a list from the state or from Chicago."

State transportation officials said they are still working on the application process, and are not concerned that they might possibly miss the federal assistance. Chicago Mayor Richard Daley's office said the city is "on track" to receive stimulus funding. Daley has not disclosed the city's project list, except to say he wants \$50 million to go toward the O'Hare International Airport expansion.

Deadlines for the funding vary based on the different modes of transportation, but the legislation requires Washington to distribute the funding to states for highway bridge and transit projects by March 10. Illinois will not be eligible for the funding until the General Assembly passes a special appropriation for \$693 million to cover contracts for the first round of stimulus projects in the spring, according to the Illinois transportation department. After the money is spent, the federal government will pay the state back.

Lawmakers: TxDOT gets First \$500M Wrong

Texas Observer – March 2, 2009

Texas - Transportation officials in Texas were chastised this week by the state's legislative committee responsible for the oversight of the distribution of federal funding. The Texas Department of Transportation was praised last week for agreeing to hold off on the allocation of its federal stimulus funds. Of the \$2 billion they will receive, the agency only dedicated \$500 million for maintenance projects across the state in a meeting last week.

When they met with the House Select Committee on Federal Economic Stabilization Funding this week, however, the praise came to an abrupt end when they were informed that the \$500 million was spent wrong, because TxDOT did not prioritize the funds based on economically distressed areas, as required by the stimulus legislation.

"What we are hearing is that, last week, 20-25 percent of the stimulus money was spent on maintenance projects in violation of the stimulus act," said Rep. Jim Dunnam, the committee's chairman. "How can you assure us that we're not going to be charged back \$500 million in stimulus money for not complying with the act?"

TxDOT said it is providing the Federal Highway Administration with information regarding the economic distressed analysis of each project, but Dunnam was not satisfied. He also scolded the agency for including all of the transportation funding specifically reserved for rural areas in the \$500 million committed to maintenance projects, and leaving none for new infrastructure, just eight days after the bill was signed into law.

Business Leaders Back 25-Cent Gas Tax Hike

Boston Globe – March 3, 2009

Massachusetts - Business groups in Massachusetts are endorsing a 25-cent state gas tax hike, saying the state needs to encourage a stronger business economy by accelerating work on its network of ailing roads and bridges. The hike is more aggressive than the 19-cent increase requested by Gov. Deval Patrick. The 25-cent increase would generate about \$650 million a year in new tax revenue for the state.

The business leaders compared their drive for a transportation overhaul to recent efforts that resulted in the state's comprehensive new healthcare law, saying the cost to businesses and commuters will be worth it to repair the chronic cash shortages that have burdened the system for years.

"The political stakes are high, but the leadership here is necessary," said Paul Guzzi, president and CEO of the Greater Boston Chamber of Commerce. Gov. Patrick welcomed the business leaders' move, but legislative support for a large increase has shaky. The Legislature's transportation committee held the first of four official hearings on the issue this week.

Oregon Gas Tax Hike May Go Up

OPB News – March 2, 2009

Oregon – A gas tax hike in Oregon may be higher than the original two-cents-per-gallon already under consideration by state lawmakers. Hearings began this week for a massive transportation bill proposed by Gov. Ted Kulongoski that would raise more than \$2 billion per budget year through a 2-cent gas tax increase.

But Democratic Transportation Committee Chair Terry Beyer says some lawmakers want to raise the gas tax two or three times higher than that, possibly by six cents per gallon. “I think there is a limit to where we can get to, but I do think that if we have a gas tax hike it will be higher than two cents.”

Fuel industry lobbyist Paul Romain says gas stations would be willing to accept up to a six-cent increase to the statewide gas tax, but in exchange, they want to overturn a rule allowing local governments to levy their own gas taxes. About two dozen do that right now.

Macquarie Shares Plummet

Bloomberg – March 2, 2009

Shares for Macquarie Group Ltd., the largest investment bank in Australia, fell this week for a record tenth day. Macquarie Infrastructure, the biggest toll road owner in the world, reported an \$833 million loss last month as it wrote down the value of its road assets.

The company said in this week’s note that restructuring steps by its funds may include “major asset sales, further debt refinancing, fund privatization, security buybacks and capital returns.” Macquarie said last month full year profit will plunge 50 percent, ending 16 years of rising earnings. The shares are down 84 percent from its May 2007 peak.

Ga. DOT Board Ousts Commissioner

Atlanta Business Chronicle – February 16, 2009

The Georgia State Transportation Board fired agency Commissioner Gena Evans on Thursday with a 9-2 vote. With a reputation as a reformer in other government positions, Evans was appointed by Gov. Sonny Perdue in December 2007. Last week, however, the governor expressed frustration with the DOT at a news conference where he announced legislation that would strip the department of most of its responsibilities.

Still, the governor defended Evans after the board’s dismissal. “I believe they have fired a competent commissioner for no reason other than her commitment to put the needs of Georgia’s citizens ahead of board members personal agendas of spending taxpayer dollars on their individual projects,” Perdue said in a prepared statement.

Perdue has been pushing legislation to establish a new State Transportation Authority to assume the DOT's financing and planning responsibilities. He said last week that he is frustrated that after six years in office, he has not helped the DOT progress toward solving metro Atlanta's chronic traffic congestion.

The agency's chief engineer, Gerald Ross, will replace Evans as interim commissioner while a nationwide search is conducted. Ross is the first African-American to serve as Commissioner of the Georgia Department of Transportation in its 94-year history.