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Kansas Approves Tax, Fee Increases for Transportation

Land Line Magazine – May 13, 2010

Kansas – In an effort to increase new jobs, improve roads and boost the economy, lawmakers in Kansas passed a 10-year transportation package, which includes hikes in state sales tax and truck registration fees. The \$8.2 billion measure has been sent to the desk of Gov. Mark Parkinson, has voiced his support for the transportation funding plan that will add about \$2.7 billion in new revenue through 2020.

The bill is funded partially through authorization for \$1.7 billion in bonds, and a four-tenths cent increase to the state sales tax beginning January 2013. The increase is expected to generate \$1.5 billion. Registration fees for large trucks will have consecutive increases over the next few years to bring in \$131 million for transportation projects.

Another provision in the bill authorizes the transportation secretary to recommend building a new toll or turnpike, or designate an existing highway for a toll project, dependent on the completion of a successful feasibility study.

Transportation Secretary Deb Miller applauded the passage of the bill to benefit highways statewide. "[The new transportation plan] is good for the safety of Kansans and the economic goals of the state," Miller said in a statement. "It will create jobs, has a sound, commonsense funding approach, and will allow us to protect Kansans' investment in their transportation system."

Dan Flowers Inducted into Construction Hall of Fame

AHTD Information Release – May 5, 2010

LITTLE ROCK – The head of Arkansas' transportation department was inducted into the state's Construction Hall of Fame in Little Rock on April 28. The Arkansas Construction Hall of Fame was established in 1999 by the Arkansas Chapter of Associated General Contractors of America to honor and recognize outstanding individuals in the construction industry. Since its founding, 32 individuals have been inducted into the Hall of Fame who have demonstrated their professionalism through active support of the industry and through civic and community involvement.

Flowers has held numerous engineering and management positions within AHTD before becoming director of the department in 1994. He is a past president of the American Association of State Highway and Transportation Officials (AASHTO) and a recipient of the George S. Bartlett Award which is presented by AASHTO, the Transportation Research Board and the American Road and Transportation Builders Association for outstanding contribution to highway progress.




Dan is well deserving of this honor among the many he has received. His calm demeanor, common sense, wisdom and steady hand have been valuable assets not only in Arkansas but also throughout the nation. Congratulations to Dan. TW

Michigan Senate Passes Transportation Budget with Cuts

The Michigan Department of Transportation is among opponents to a version of next year's transportation budget approved 21-17 by the Senate May 18, which pulls funding from highway projects in the state to fund other line items in the agency's budget. Lawmakers justified sending SB1167 to the House, saying it would allow the state to secure \$475 million in matching federal funding to help fund roads and bridges.

MDOT officials said reducing funding available for other important uses is not a good idea. The proposed transportation budget would result in a \$40 million reduction in funding for highway maintenance and half of the state's 14 welcome centers would be forced to shut down seasonally or permanently. In an effort to help make ends meet, MDOT announced plans in April to move forward with a reduced transportation program for the fiscal year beginning in October.

Sen. Bill Hardiman, R-Kentwood, said raising fuel taxes, as some organizations and lawmakers have urged, was avoided in the bill. "Michigan needs a new way of attracting private investment and jobs," Hardiman said in a statement. "Raising a tax at this time sends the wrong message on both accounts." The Senate budget bill is currently in the House Appropriations Committee awaiting consideration.

 *Instead of raising the money needed to match their federal-aid, the money is taken from maintenance and other programs. There's a lot of "robbing Peter to pay Paul" going on in the country today. Pretty soon, Peter will also be out of money. TW*

WSDOT Awards Skanska \$114M Viaduct Contact

Puget Sound Business Journal; WSDOT Press Release – May 13, 2010

SEATTLE – The Washington State Department of Transportation awarded Skanska USA the \$114.6 million construction contract for the first segment of the Alaskan Way Viaduct replacement project in Seattle. Skanska's bid was 25 percent lower than WSDOT's cost estimates – between \$125 million and \$175 million – the lowest of three bids.

"It's official. This summer we'll begin work to replace almost half of the aging and seismically vulnerable Alaskan Way Viaduct," said Paula Hammond, Washington Transportation Secretary. "This work is vital to public safety, and will also ensure that traffic, goods and services continue to move across the region."

Riverside, California-based Skanska will replace a 0.8-mile section of elevated roadway along Seattle's waterfront between King Street and South Holgate Street. The project will put more than 600 people to work this summer. When the project is complete in 2013, the southern mile of the Alaskan Way Viaduct will be replaced with a new side-by-side roadway that meets current earthquake standards, has wider lanes and improves mobility.


Port Authority Seeks Private Investor to Build New Goethals Bridge

Star-Ledger – May 11, 2010

The Port Authority of New York and New Jersey, facing recession-related revenue losses, is looking for a private investor to finance \$1 billion to \$1.5 billion to replace the Goethals Bridge, the 81-year-old span stretching 1.3 miles between New York City's Staten Island and Elizabeth, New Jersey. This would be the first deal of its kind for the 90-year-old authority, which is at the limit of its bonding capacity and recently was forced to reduce its 10-year capital spending plan by 17 percent, to \$24.5 billion, according to its spokesman Stephen Sigmund.

"It's the first step to gauge interest," Sigmund said. "We would own and operate it, set the tolls and repay investors out of general revenue over 30 years." The authority posted a request for private investors on its website May 11, who are interested in bidding to replace the existing two-lane structure by 2016. The current bridge lacks an emergency shoulder and would cost \$200 million to \$600 million annually for maintenance as it ages, he said, and described the Goethals Bridge as "used beyond capacity," carrying 14 million vehicles each year through its eastbound toll point.

The request seeks financing proposals by June 11, to design, build, finance, provide the majority of maintenance, and to be repaid through installments. Preliminary plans for the new span call for three lanes in each direction and a right-of-way down the middle to potentially accommodate a light or heavy rail line in the future.

 *The Goethals Bridge definitely needs to be replaced. This will be an interesting expedition for the Port Authority as it will be a good gauge of the private sector's appetite for such a deal. We'll report on the outcomes as the information becomes available. TW*

I-69 is Now Ahead of Schedule

WTWO News; INDOT Press Release – May 19, 2010

EVANSVILLE – Gov. Mitch Daniels has announced that construction of the southern portion of I-69 is ahead of schedule and on budget and should be open to traffic from Evansville to Bloomington by the end of 2014. The Federal Highway Administration has approved the sections, allowing transportation officials to move forward with land acquisition and construction.

"The completion of the I-69 dream is nearer than anyone ever imagined. Completion to Bloomington will be years ahead of what anyone originally thought could be accomplished. Having this asset in place sooner means more jobs in Indiana, corner to corner," said Gov. Daniels, who made the announcement along the first completed stretch of I-69 pavement near Evansville. "As construction hits full gear in 2011, I-69 will form the longest contiguous new interstate construction project in the country," Daniels said.

Estimates that I-69 could be built from Evansville to Crane for about \$700 million are on target because bids have come in lower than expected and INDOT has used innovative technology techniques to design and build the road. For example, INDOT has been completing work concurrently instead of consecutively to improve speed and contracts are bid with alternate and option pavement designs for increase price competition.

INDOT opened the first two miles of I-69 in September and construction in the area continues.

Study: Climate Bill would Prompt Decade of Growth

Greenwire – May 20, 2010

Washington, D.C. - A Senate climate change bill unveiled last week would create hundreds of thousands of jobs by initiating a nationwide move away from fossil fuels toward renewable sources of power and more nuclear energy, according to a nonpartisan study released on Thursday.

"Between 2011 and 2020, average annual employment in the U.S. increases by 203,000," concluded the study by the Peterson Institute for International Economics. The 18-page report said the bill will spur job creation because of mandatory limits on greenhouse gases, which will boost construction of new power plants and create jobs through greater demand for biofuels.

The study is the first to analyze the economic impact of legislation drafted by Democratic Senator John Kerry and independent Senator Joseph Lieberman.

Meanwhile, transportation industry groups have voiced significant concerns over the Senate climate and energy bill because of new fees imposed on the industry and allocation of the revenue to sectors other than transportation. A preliminary industry analysis indicates that fees from on-road fuel consumption would generate about \$19.5 billion. The bill allocates that 77 percent of that revenue for purposes other than transportation infrastructure investment.



Space does not permit the full recitation of the policy problems with this bill as they relate to transportation. If the price of fuel goes up to compensate for fees levied against oil producers it will dampen any energy there might have been to raise the motor fuel tax to fill the funding gap in transportation. TW

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