

**ITEM 12-C.8.a**

**(17 PAGES)**

**RELATED TO FUNDING**

**“HOT Lanes may be better than a sales tax” (9/5/08)**

**“Trust Fund Solvency – Statement from Sec. Peters” (9/8/08)**

**“Oberstar, DeFazio Call on Senate to Act Quickly On Trust Fund Restoration Bill”  
(9/8/08)**

**“Congress Weighs Boosting Funds for Mass Transit” (9/9/08)**

**“Economy reduces Va. Road funds” (9/19/08)**

**“Metro G.M. says billions needed for transit agency” (9/22/08)**

**“U.S. DOT chief economist blogs about transportation spending” (9/22/08)**

**“Metro’s \$11 Billion To-Do List” (9/23/08)**

# ROADS & BRIDGES

Serving the Transportation Construction Industry for Over 100 Years

Introducing GUIDSIGN 5.0

More Signs.  
Less Time.

Transsoft

[Home](#)

[Subscriptions](#)

[Events Calendar](#)

[Newsletter](#)

[Contact Us](#)

Search:



## ARCHIVES

[News](#)  
[Articles](#)  
[Case Histories](#)

## REFERENCES

[Buyer's Guide](#)

## SERVICES

[Career Center](#)

## SPOTLIGHTS

[August 2008](#)  
[Industry Links](#)  
[July 2008](#)

## ZONES

[Asphalt Roads](#)  
[Bridges](#)  
[Concrete Roads](#)  
[Safety](#)  
[Traffic Management](#)

## CURRENT ISSUE



[Click here for a subscription to Roads & Bridges](#)

[Give us your feedback on our site.](#)

[Change your subscription info](#)

[Subscribe to our Executive News Summary e-Newsletter.](#)

News this week sponsored by: **Transsoft Solutions**

## HOT lanes may be better than a sales tax

California research reveals congestion management technique would benefit low-income bracket  
September 5, 2008

The so-called "Lexus Lanes" may be fit for a Toyota Camry after all. Research in California has concluded that high-occupancy toll (HOT) lanes, often criticized by opponents who say only the affluent would be able to use them, might actually be more fair to all income levels than paying for road improvements through sales taxes.

The study, released by the University of California-Los Angeles and the University of Southern California, examines the HOT lanes on California 91 in Orange County. Researchers found that the 91 Express Lanes are disproportionately used by middle- and upper-middle-income households. The study then examined how people of different income levels would be affected had the four lanes of the California freeway been funded by a sales tax increase instead of congestion tolls. If that were the case the poorest county residents would have paid more than \$3 million more in taxes than they actually did under the current tolling system.

"Using sales taxes to fund roadways creates substantial savings to drivers by shifting some of the costs of driving from drivers to consumers at-large, and in the process disproportionately favors the more affluent at the expense of the impoverished," the study stated.

Source: *AASHTO Journal* September 5, 2008

## INDUSTRY NEWS

### Subscribe

Get the latest industry headlines conveniently in our email newsletter! [Click here](#) to subscribe.

### Share It

[Email this page to a friend](#)

### More News

- Administration says Highway Trust Fund shortage will result in slowdown of payments
- U.S. DOT announces quick release of \$4 million to Louisiana and Mississippi
- N.J. plan would double tolls by 2023
- HOT lanes may be better than a sales tax
- Inactivity plagues state gas taxes
- OnStar assists motorists evacuating ahead of Gustav
- R&B readers support McCain: V.P. hopeful Palin supported "Bridge to Nowhere"
- Emergency repairs for Bay bridge following fatal crash
- FHWA does not have the funds
- DUI fatalities down in 32 states
- 2009 National Traffic Management & Work Zone Safety Conference set
- U.S. DOT awards \$14.7 million for rural roads safety
- Idaho roads face funding challenges
- U.S. DOT approves Utah's I-15 corridor
- Kentucky will finish bridge alternative study
- North Carolina tax increases considered to pay for road costs
- ARTBA announces new affiliation with transportation construction groups
- Illinois faces salt dilemma
- Frustrated governors rip federal road policy
- A big finish
- Plans to toll I-93 dropped
- Transportation projects named as finalists
- U.S. DOT announces historic drop in highway fatalities
- TDOT wins national transportation award
- American driving reaches eighth month of steady decline
- Top performer
- Missouri continues to improve system
- Pa. Turnpike responds to FHWA request
- Illinois lawmakers again debating infrastructure program
- U.S. Chamber associations launch "FasterBetterSafer" campaign
- Report examines worsening travel infrastructure in Massachusetts
- Cal. Navistar join forces
- Senators announce plan to address HTF shortfall
- QDOT honored for I-5 environmental work
- W.Va. still waiting for that boom
- Transportation receives mixed reviews in Va.
- Private resistance in Florida
- Not even close
- Attorney General demands end to free rides in New York
- Georgia looking at toll option
- Private group may run Turnpike
- VDOT releases emergency response report
- Debate on FAA reauthorization bill postponed
- Oberstar presses for I-35W hearing

## Alfred Harf

---

**From:** Biesiadny, Tom [Tom.Biesiadny@fairfaxcounty.gov]  
**Sent:** Monday, September 08, 2008 8:33 AM  
**To:** Fatemeh.Allahdoust@VDOT.Virginia.gov; Gina Altis; christopher.arabia@drpt.virginia.gov; tashby@arlingtonva.us; mbackmon@pwcgov.org; charles.badger@drpt.virginia.gov; Rich.Baier@alexandriava.gov; SBEIDAS@purcellvilleva.gov; Biesiadny, Tom; Farid.Bigdeli@VDOT.Virginia.gov; tblaser@pwcgov.org; nbottigheimer@wmata.com; richard.burke@vdot.virginia.gov; rcanizales@pwcgov.org; Chandler, James N.; hchu@viennava.gov.; mclifford@mwkog.org; tom.culpepper@alexandriava.gov; helen.cuervo@vdot.virginia.gov; tina.curtis@VDOT.virginia.gov; William.Cuttler@VDOT.Virginia.gov; Unwanna.dabney@fhwa.dot.gov; theresa.defore@VDOT.Virginia.gov; mark.duceman@herndon-va.gov; Michael.Estes@VDOT.Virginia.gov; Tom.Fahrney@virginiadot.org; Anthony Foster; dfuller@leesburgva.gov; k.gammell@manassasparkva.gov; ngardner@ci.manassas.va.us; tplanner@mwkog.org; Gmg@Novaregion.org; lisa.gillera@herndon-va.gov; Cgrow@leesburgva.gov; Guy, Jay; michael.hackett@mwa.org; Renee.Hamilton@VirginiaDOT.org; Alfred Harf; dana.heiberg@herndon-va.gov; corey.hill@drpt.virginia.gov; randy.hodgson@VDOT.Virginia.gov; choeffner@vre.org.; pierce.homer@governor.virginia.gov; tanya.husick@drpt.virginia.gov; john.huston@vdot.virginia.gov; Ichter, Kathy; wjia@wmata.com; bjohanson@pwcgov.org; djohanson@viennava.gov; Scott@NVTDC.org; Mkellogg@arlingtonva.us; rkirby@mwkog.org; Lake, Michael R.; Tarsem.Lal@fhwa.dot.gov.; blazaro@purcellvilleva.gov; rleibbrant@pwcgov.org; Claudia.Llana@VDOT.Virginia.gov; Smacisaac@arlingtonva.us; dmalouff@arlingtonva.us; bill.mann@vdot.virginia.gov; jim.maslanka@alexandriava.gov; John.mason@thenovaauthority.org; Betsy Massie; Robert.McDonald@VDOT.Virginia.gov; cmester@fallschurchva.gov; mmoon@ci.manassas.va.us; robert.moore@vdot.virginia.gov; k.moore@manassasparkva.gov; spant@wmata.com; Valerie.Pardo@VDOT.Virginia.gov; gphillip@loudoun.gov; gus.robey@drpt.virginia.gov; mroeber@vre.org; elizabeth@nvtcd.org; ivan.rucker@fhwa.dot.gov; wblocksanford@fallschurchva.gov; wshields@fallschurchva.gov; Bud.Siegel@VirginiaDOT.org; Asmith@Co.Loudoun.va.us; J.Sorenson@VDOT.Virginia.gov; Southworth, Dan; jstraub@vre.org; dsummers@fairfaxva.gov; Rick@nvtcd.org; gtkac@dumfriesvirginia.org; gvega@arlingtonva.us; viola@arlingtonva.us; mwadda@ci.manassas.va.us; jrWASHINGTON@wmata.com; viki.wellershaus@herndon-va.gov; mariamercedes.white@alexandriava.gov; Wolfenstein, Leonard; dzehner@vre.org; amadden@ci.manassas.va.us.  
**Cc:** Axton, Rollo C.; Stevens, Richard F.; Rathbone, Daniel B.; Gallagher, Ellen; Wigglesworth, Todd W.; Winstead, Carl D; Owolabi, Robert O.; Lam, Calvin C.; Martin, Pamela B.; Strunk, Charlie; Moreland, Karyn L.; Luo, Caijun; k.srikanth@virginiadot.org  
**Subject:** FW: TRUST FUND SOLVENCY - Statement from Sec. Peters

---

**From:** John Mason [mailto:john.mason@thenovaauthority.org]  
**Sent:** Monday, September 08, 2008 8:09 AM  
**To:** Bill Euille; Bryan E. Polk; 'Chris Zimmerman'; Chris Zimmerman; 'Corey Hill'; David F. Snyder; David F. Snyder; Chairman Email; Elliott, Steven D.; Harry (Hal) J. Parrish; 'Jeff Greenfield'; Jo Anne Sorenson; Joe May; Julia A. Connally; Kristen Umstattd; 'Martin Nohe'; Mary Margaret Whipple; Matthew O.Tucker; 'Morteza Salehi'; Robert F. Lederer; 'Robert Lederer'; 'Scott York'; Sharon Pandak; Tom Rust (del\_trust@tomrust.org); Tom Rust  
**Cc:** Biesiadny, Tom; Andrea Madden; Calvin Grow; Carol Sinclair; Bonaiuto, Dominic J.; 'Gus Vega'; Keith Musbaum; 'Lana Conner'; 'Michael'; Nancy Duke; 'Pearl Gordon-El'; Gillis, Rhonda C.; Samantha Sissman; 'Shelby Eakle'; T. Gordon; Tamara Ashby  
**Subject:** FW: TRUST FUND SOLVENCY - Statement from Sec. Peters

NVTA Members –

As if our challenges with state funding of transportation aren't enough, the Federal Highway Trust Fund is now "empty". As you see from Secretary Peters' remarks (below), FHWA will be reimbursing States based on available dollars in Fund. I suspect this means more delays and potential cuts.

John  
**John Mason**  
**Executive Director**  
**Northern Virginia Transportation Authority**  
**4031 University Drive (Ste 200)**  
**Fairfax, VA 22030**  
**T: 703.277.7752**  
**F: 703.766.4654**  
**E: john.mason@thenovaauthority.org**  
**www.TheNovaAuthority.org**

---

**From:** DeLania Hardy [mailto:dhardy@ampo.org]  
**Sent:** Friday, September 05, 2008 2:42 PM  
**To:** john.mason@thenovaauthority.org  
**Subject:** TRUST FUND SOLVENCY - Statement from Sec. Peters

FYI~

REMARKS FOR  
THE HONORABLE MARY PETERS  
SECRETARY OF TRANSPORTATION

TRUST FUND SOLVENCY MEDIA BRIEFING  
WASHINGTON, D.C.

SEPTEMBER 5, 2008  
1 PM

Thank you for making the time to dial in this afternoon. I am joined by Phyllis Scheinberg, our Assistant Secretary for Budget and Programs and Chief Financial Officer, and Federal Highway Administrator Tom Madison.

Since becoming Secretary, I have been advocating for fundamental reform of our approach to transportation in America. Today, we have another reminder of why reform is so imperative.

Those of you who have covered this Department will clearly recall that for several years we have been warning of the dangers of transportation bills loaded with wasteful spending and unnecessary and unsupported earmarks – over 6,000 totaling \$24 billion in the last transportation bill alone. And we have long cautioned that unfocused spending and non-essential, special-interest programs would put the Highway Account of the Highway Trust Fund at serious risk.

Every family understands that constantly spending more than you earn is a recipe for insolvency. Yet many in Congress have refused to apply that same common-sense thinking to the federal program that currently accounts for close to half of all highway and transit investments.

For over three years, we have been warning that our current levels of spending were not sustainable and that the

Highway Account would likely go into the red before the current surface transportation legislation expires in 2009.

Time and again, President Bush warned Congress of the pending shortfall and submitted budgets with fiscally prudent steps to close the gap. Many in this Department, myself included, repeated this message through countless speeches, Congressional hearings, and media interviews.

But when it came time to address the rapidly growing Trust Fund solvency issue, Congress chose to do nothing. Instead, members continued to earmark, continued to divert transportation dollars to lighthouses and museums, and continued to spend like there was no tomorrow.

In fact, while the Administration was sounding the alarm and warning that a shortfall was imminent, Congress actually added billions more to the spending authorized by the last surface transportation bill.

The urgency of the situation was heightened earlier this summer when we began to see significant and sustained declines in vehicle miles traveled. For the first time in history, VMT dropped more than 50 billion miles over eight months.

The less Americans drive, the less gas tax revenue is collected. And with Americans seeking greater fuel economy and taking steps towards conservation, this trend is likely to continue even if highway travel begins growing again.

As a result, in recent days it has become increasingly clear that the tab has come due. Put plainly, the Highway Account of the Highway Trust Fund will not have cash available to reimburse State highway expenditures – not at some point in the distant future, but as soon as this month.

Outlays are now expected to exceed receipts by more than \$8 billion for fiscal year 2008. In September alone, we expect the Highway Account will take in \$2.7 billion but have reimbursement requests totaling \$4.4 billion.

At current spending rates, we will start the new fiscal year on October 1 with a zero balance in the Trust Fund, and will continue to spend more than we take in.

The lesson is quite clear. We can no longer afford to allow political whims to dictate transportation priorities or to rely almost exclusively on federal fuel taxes to fund our highway and transit programs. The current approach may have made sense 50 years ago, but it is ineffective and unsustainable when we are trying to reduce congestion and encouraging Americans to embrace more fuel efficient cars.

That is why, as part of this Administration's proposal to fundamentally reform our nation's current scattered approach to transportation, we have called for the promotion of new funding mechanisms and a new investment strategy that actually responds to today's transportation challenges.

With real reform, federal resources would go to priority areas of national interest to improve safety, to maintain and improve the condition and performance of the Interstate highway system, and to get stalled traffic moving in our nation's largest cities. And it ensures that we have sound financial management laws in place so that political indifference does not jeopardize funding stability ever again. Frankly, if Congress just produces another "TEA" bill, with business as usual, they will have failed.

More immediately, in order to continue to meet our obligations to State transportation agencies, we must confront the pressing challenge. So today, I am asking Congress to approve pending legislation that will provide \$8 billion to be used exclusively to cover the funding shortfall – and have it on the President's desk before the end of next week.

Make no mistake. This is far from an ideal solution. Taking money from other pressing national priorities to plug a hole caused by poor fiscal discipline sets a dangerous and disturbing precedent. But the state of the Highway Trust Fund has now moved from a theoretical to a practical problem, and States should not have to suffer the consequences.

This is no time to play political games or try to sneak pet projects or other unrelated provisions on must-pass legislation. The cash-flow problem we face is serious. Americans cannot afford to have Congress play "kick the can" with highway funding for another year, another month, or frankly, even another week. And our State partners who are working so hard to keep our bridges and roads in good repair deserve better than IOUs from Congress.

So while Congress acts on legislation, the Federal Highway Administration is instituting a series of immediate steps designed to stretch out revenues and allow us to continue making highway payments to States on a fair and equitable basis.

Effective next week, the Highway Administration will begin making reimbursements to States on a weekly basis, instead of the twice daily cash reimbursements we make today. The Department will make those weekly reimbursements on a pro-rated basis. If, for example, the Highway Administration only has funds available in the Highway Account to cover 80 percent of the requests we receive, they will pay only 80 percent of each.

The following week, the Federal Highway Administration will pay the balance of the money owed. And only then will they provide similar, pro-rated reimbursements for the new requests received that week.

To further slow the rate of depletion, I am taking actions with respect to Department of Transportation personnel and purchasing policies and am consulting with other federal agencies funded by the Trust Fund to see if we can free up additional funding for our State partners.

As a former State DOT Administrator, I understand that the measures I have outlined will be tough on States programs and State budgets. That is why it is absolutely imperative that Congress not waste time. We have got to get States out of the box they have been put in by Washington's addiction to wasteful special-interest spending and pork barrel projects.

But a short-term fix is not enough. We must come to terms with the fundamental problem facing the Trust Fund, while honoring the funding commitments of SAFETEA-LU.

So I am asking Congress to get to work on a fiscally responsible and effective transportation spending bill for the coming fiscal year – one that is free of waste and free of earmarks, and one that actually promotes solutions to our most pressing transportation challenges instead of ignoring them.

I am asking Congress to work with me resolve this shortfall as quickly, and as responsibly, as possible. We must not fail all those Americans who depend on a safe and reliable transportation system every day.

Thank you, and now we would be happy to answer any questions you have.

###

You are subscribed to DOT News for Department of Transportation. This information has recently been



[» Click Here to Print This Page «](#)

## **Oberstar, DeFazio Call on Senate to Act Quickly On Trust Fund Restoration Bill**

**Posted:** September 8th, 2008 09:21 AM EDT

The Department of Transportation announced today that it expected the Highway Trust Fund to reach a zero balance sometime in September, and that the Administration has withdrawn a threat to veto a bill that would infuse the Trust Fund with additional cash. The announcement prompted a call by Committee on Transportation and Infrastructure Chairman James L. Oberstar (Minn.) and Subcommittee on Highways and Transit Chairman Peter A. DeFazio (Ore.) for the Senate to take quick action on the bill.

### Statement from Chairman Oberstar

In July, the House of Representatives passed H.R. 6532, the Highway Trust Fund Restoration Act, to address the impending shortfall in the Highway Trust Fund, by a bipartisan vote of 387-37. The bill restores \$8.017 billion in motor vehicle user-fee revenues to the Trust Fund. Despite the overwhelming House vote in support of this legislation, the Administration threatened to veto it.

Today, the Secretary of Transportation recognized the dire circumstances of the Highway Trust Fund, and reversed the Administration's irresponsible opposition to restoring these user fee revenues. The Trust Fund is approaching a zero balance and, beginning next week, the Federal Government will be unable to pay all of the bills submitted by the States for reimbursement under the Federal-aid highway program. The Federal Government will be required to begin paying interest on unpaid bills.

In addition, I fear that States will begin to slow their investments in highway construction because of the cash flow problems of the U.S. Department of Transportation. Given that the United States has lost more than 600,000 jobs this year and the unemployment rate is the highest it has been in five years, we cannot afford to lose one more family-wage construction job.

I am encouraged that the Administration has finally reversed its position and is urging the Senate to pass the bill as soon as possible. I urge Senate Republicans to release their hold on the bill. We must enact this critical legislation early next week to avoid slowdowns or reduction in infrastructure investment, and the loss of American construction jobs.

### Statement from Chairman DeFazio

It's about time this Administration accepted the magnitude of the looming crisis facing the Highway Trust Fund and stopped being a roadblock to a solution.

The House has long been aware of this impending problem and acted to combat it by passing legislation to add \$8 billion in general funds to the Highway Trust Fund earlier this summer. Unfortunately, this measure has been held up by irresponsible veto threats by the Administration and has not yet become law.

I'm glad the Administration has for once set aside its blind ideology and come on board with what Congress has been trying to do for months.

The additional funds provided by H.R. 6532 will help the Trust Fund weather the shortfall in projected revenues and continue to allow funds to flow to the States for needed surface transportation projects.



Printable version may be for personal use only. Content may not be duplicated, re-used or otherwise replicated without expressed, written consent from [MassTransitMag](#) and/or the original author/source.

Provided by MassTransitMag - A Cygnus Business Media site

Visit [MassTransitMag](#) daily for the latest industry news, commentary, features and more.

» [Click Here to Print This Page](#) «

More

Enter Symbol(s) or Keyword(s)

# THE WALL STREET JOURNAL

The Online Journal GET 2 WEEKS FREE  The Print Journal GET 2 WEEKS FREE

User Name: \_\_\_\_\_ Password: \_\_\_\_\_  
 Remember Me    
Forgot your username or password? | Subscribe

As of Tuesday, September 9, 2008

Set My Home Page | Customer Service

- [News](#) [Today's Newspaper](#) [My Online Journal](#) [Multimedia & Online Extras](#) [Markets Data & Tools](#) [Classifieds](#)

OTHER FREE CONTENT FROM THE WALL STREET JOURNAL

**EDITORS' PICKS**

- The Middle Seat
- Exit Deals
- Undercover Recruits
- From Fantasy to Fashion
- High Tech for Low Vision
- Opinion: McCain, Palin
- MORE EDITORS' PICKS

**BLOGS**

- Most Popular Posts
1. Why McCain Is Running Against the News Media
  2. Winners & Losers of the Fannie & Freddie Bailout
  3. Obama: 'I'm Not Going to Take Your Guns Away'
  4. William Rasl's Southern Touch
- SEE ALL BLOGS

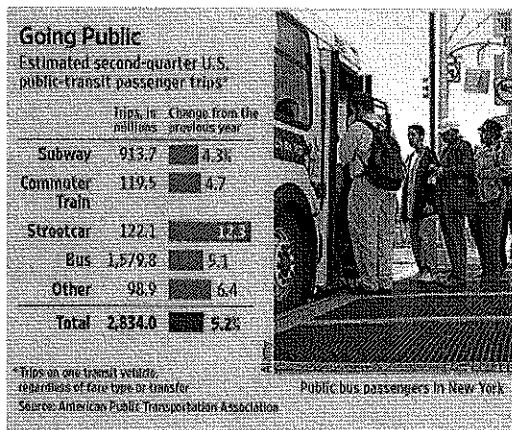
**MORE FREE CONTENT**

- » Personal Journal
- » Personal Finance
- » Leisure
- » Markets Data Center
- » Video
- » Blogs
- » Forums
- » Interactives
- » Autos
- » Career Journal
- » Real Estate
- » Small Business
- » Opinion Journal
- » MarketWatch
- » AllThingsDigital

## Congress Weighs Boosting Funds for Mass Transit

By **CHRISTOPHER CONKEY**  
 September 9, 2008; Page A3

WASHINGTON -- Momentum is building in Congress to increase funding for public transportation as transit agencies struggle to accommodate increased demand from Americans seeking to escape high gas prices.



The Senate banking committee will hold a hearing Tuesday to examine how the government can strengthen mass-transit options as a way to reduce

dependence on imported oil. Meanwhile, House and Senate leaders debating a new energy bill are considering a range of incentives and new funding for transit agencies.

On Monday, a spokesman for Senate Majority Leader Harry Reid (D., Nev.) said a measure that would provide as much as \$2 billion in grants and other funding for public transportation appears likely to be included in energy legislation that could be voted on next week. The House has already approved a bill that would provide an additional \$1.7 billion to transit agencies over two years. If Congress fails to pass a new energy package this month before adjourning for its election-season recess, a transit-funding boost could still be included in an end-of-session budget resolution.

The legislative push comes as high gas prices are spurring Americans to drive less and use public transportation more. Data being released Tuesday by the American Public Transportation Association show the number of riders on mass-transit systems is growing at an accelerating clip. After rising 2.5% in 2007 from 2006, public-transportation use increased 3.4% in the first quarter of 2008 from the same period a year earlier, and 5.2% in the April-to-June period.

The increased demand is straining many transit agencies, which are already coping with higher prices for fuel, steel and other commodities.

**DOCUMENTS**  
 Survey: Rising Fuel Costs Impact on Transit

"We are stretched to our limits," said Fred Hansen, general manager of TriMet, a regional mass-transit system

in the greater Portland, Ore., area that operates bus and light-rail service. "We need help."

Ridership has risen modestly over the years, Mr. Hansen said, but

Let's hear it.

**Allstate** in association with THE WALL STREET JOURNAL

**MORE FROM TODAY'S JOURNAL**  
 \$ Subscription may be required | [Subscribe Now](#)

- PEOPLE WHO READ THIS...**
- Also read these stories:
- Iraqi Leaders Opposed Biden's Partition Plan
  - GM Recalls 300,000 Chevy HHRs
  - Sharp Sees LCD Future
  - Mixing Football Drills With Yoga
  - Obama Has Edge on Economy

**NEW! Are you on Facebook?**  
 See what content on this site is popular with your friends! [Learn more >](#)

**Your Facebook Friends Are Reading**  
 Plan Near for Fannie, Freddie  
 Seen by 4 friends | 3 groups | Yale

Provided by **SeenThis** by iStock

**▶ WHAT'S NEWS**

- Litvack May Challenge Google
- A Major Deal Lands in Court
- Bush to Shift Troops to Afghanistan
- Italian Financier Nears Plea Deal
- Palin's Star Power Can Outshine McCain

MORE

**▶ WHAT'S POPULAR**

1. Government Seizes Mortgage Giants
2. Gates-Seinfeld Ad Faces Critic
3. Litvack May Challenge Google
4. Bailout Greeted With Relief, Questions
5. Opinion: Detroit's Blackmail Attempt Is Beyond Shameless

MORE

**Retirement in America isn't working.**

**Or is it?**

**POST NOW >>**

**Allstate**  
IN ASSOCIATION WITH THE WALL STREET JOURNAL

recently there has been a significant spike. These days, the number of passengers on his trains and buses is around 12% higher than it was a year ago, he said.

Mr. Hansen has taken a number of steps to accommodate some of the new riders, even though he lacks the extra buses and rail cars he needs to greatly expand service. Among them: Keeping older buses in circulation longer, and asking area employers to alter starting times to reduce crowding during peak periods.

TriMet raised fares earlier this month. An "all zone, one-way" fare has risen 25 cents to \$2.30. TriMet isn't alone. According to a survey of 115 transit agencies being released Tuesday by APTA, more than 60% of mass-transit systems are considering fare increases and 35% are considering service cuts. Both findings reflect the cost pressures from energy prices that are making it hard for transit officials to maintain service levels at a time when demand is surging.

Mr. Hansen said his agency can stay afloat with its current funding structure, which primarily depends on locally generated revenue. But a greater federal role is needed to enable major service expansions, he said.

Andy Darrell, vice president at New York-based Environmental Defense Fund, plans to deliver a similar message to the Senate banking committee Tuesday.

"What we're seeing around the country is that transit is underfunded and is having a really hard time meeting that demand," Mr. Darrell said. "Our government should be ready to meet that demand, to embrace it."

**Write to Christopher Conkey at [christopher.conkey@wsj.com](mailto:christopher.conkey@wsj.com)**

**Sponsored Links**

**Solar Stock Pick - EVSO**  
Solar Power Your Portfolio. Green Energy Stock Investment  
[www.EvolutionSolar.com](http://www.EvolutionSolar.com)

**Fannie Freddie Under Govt**  
How will it affect your rates? \$180,000 Refinance for \$679/mo.  
[www.MortgageRatesExperts.com](http://www.MortgageRatesExperts.com)

**Personal Loans**  
Need a Loan? Apply for Secured, Unsecured & Bad credit Loans Today.  
[www.superpages.com](http://www.superpages.com)

**RELATED ARTICLES FROM ACROSS THE WEB**

Related Content may require a subscription | [Subscribe Now](#) -- Get 2 Weeks FREE

**Related Web News**

- Transit ridership surges nationally in 2nd quarter Sep. 09, 2008 [boston.com](#)
- Transit ridership surges nationally in 2nd quarter Sep. 09, 2008 [boston.com](#)
- Survey: Public transit pressures could hurt riders Sep. 09, 2008 [usatoday.com](#)

**More related content** Powered by Sphere

EMAIL THIS  
  FORMAT FOR PRINTING  
  MOST POPULAR  
  ORDER REPRINTS  
 YAHOO! BUZZ  
  DIGG THIS  
  MY SPACE  
  

[Return To Top](#)

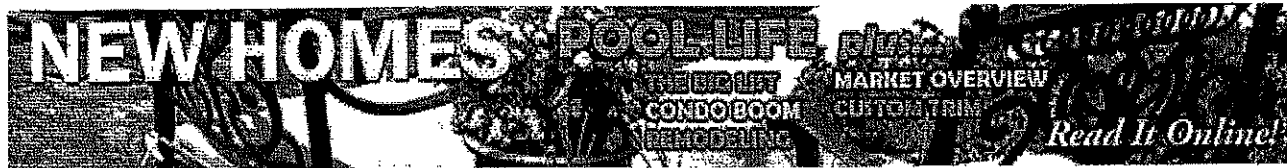
**WSJ Digital Network:**

[MarketWatch](#) | [Barrons.com](#) | [AllThingsDigital](#)  
[Dow Jones News Alerts](#) | [FiLife](#) | [MORE](#)

[Subscribe](#) [Log In](#) [Take a Tour](#) [Contact Us](#) [Help](#) [Email Setup](#) [Customer Service: Online](#) | [Print](#)  
[Privacy Policy](#) [Subscriber Agreement & Terms of Use](#) [Copyright Policy](#) [Mobile Devices](#) [RSS Feeds](#)  
[News Licensing](#) [Advertising](#) [About Dow Jones](#)

Copyright © 2008 Dow Jones & Company, Inc. All Rights Reserved





## Economy reduces Va. road funds

Declining revenue means hundreds of millions less for repairs, construction

Friday, Sep 19, 2008 - 12:05 AM Updated: 12:44 AM

By PETER BACQUE  
TIMES-DISPATCH STAFF WRITER

More deteriorating roads, longer traffic jams, less money for local streets and fewer transportation services -- that's what's coming for Virginia drivers in the next two years.

The taxes on gas and vehicle sales that underwrite the bulk of Virginia's transportation finances are falling dramatically, sharply limiting the state's solutions for its road and transit difficulties.

"Things are continuing to deteriorate," John R. Layman, the state Department of Taxation's chief economist, told the Commonwealth Transportation Board here yesterday. "There's no 'up' in this presentation right now."

The state's highway maintenance fund will see about \$125 million less in each of the next two years, said Layman, and maintenance revenues are projected to fall by \$739.9 million over the next six years.

Those reductions will have a cascading effect on the Virginia's highway programs.

By law, the Virginia Department of Transportation has to fund repair and upkeep work before it builds new roads to meet increased traffic demands.

With reductions in other state tax revenues, Virginia will have about \$300 million less annually for transportation. Said state Transportation Secretary Pierce R. Homer: "That's the best case, because these are the only numbers we know with any certainty."

Looming behind the state revenue contraction is the unsure future of the federal transportation program, a major source of money for Virginia, officials said.

"No part of our business will be unaffected by these levels of fund reductions," said state Transportation Commissioner David S. Ekern.

Adjusted for inflation, the state's motor fuels tax collections are the lowest they've been in 20 years, Layman said.

Fuel-efficient cars are helping hold down gas consumption, officials said, while highway travel continues to grow.

"Every time you see a [hybrid electric] Prius on the road, that's somebody consuming less gas, but driving anyway," Layman told the board, meeting at Shenandoah University.

Sales of new vehicles in the current 2009 fiscal year are expected to fall to levels not seen since the mid-1990s, he said.

Adding to the drop in vehicle sales tax collections, prices for new cars and trucks have fallen precipitously this year. A year ago, Layman said, the average price for a new vehicle in Virginia was about \$25,700. Now it's \$24,300.

VDOT's annual budget is \$3.8 billion. The state spends about \$1.5 billion a year to keep up its existing public highways and streets, and about \$1.3 billion to build new ones.

"We're in a valley," Homer said. "We don't know if we've reached the bottom."  
Contact Peter Bacqué at (804) 649-6813 or [pbacque@timesdispatch.com](mailto:pbacque@timesdispatch.com).

[Go Back](#)

[News](#) | [Sports](#) | [Entertainment](#) | [Living](#) | [Shopping/Classifieds](#) | [Weather](#) | [Opinion](#) | [Obituaries](#) | [Services/Contact Us](#)  
©2008 Media General Communications Holdings, LLC. A Media General company. [Terms & Conditions](#) | [Site Map](#)  
-- Part of the GatewayVa Network --  
[webmaster@inrich.com](mailto:webmaster@inrich.com)



[Home Page](#) > [News](#) > [Local](#) > [Local Stories](#)

# Metro G.M. says billions needed for transit agency

September 22, 2008 - 4:21am

Adam Tuss, WTOP Radio

WASHINGTON -- Metro is a transit agency that's in serious need of funding. Now Metro General Manager John Catoe is telling the D.C. region just how bad the situation is.

At a news conference Monday, Catoe will outline the billions of dollars that he says are necessary to keep the transit agency from literally falling apart.

Crumbling platforms, malfunctioning rail cars and worn-out tracks are just part of the problem.

Metro officials say some of the top priorities are new buses and trains to keep pace with growing ridership and infrastructure repairs in order to maintain a safe and reliable system.

Here's the really bad part -- Metro has no idea from where the funding is going to come.

Looking 10 years into the future, Metro has a huge list of projects -- some which it considers urgent -- that it says it does not have the money to fix.

Catoe is expected to deliver a sobering assessment about just how critical it is that local jurisdictions and the federal government make due on the promise of dedicated funding for the transit system.

D.C., Maryland and Virginia have all pledged \$50 million a year over the next 10 years toward Metro. In Virginia, securing that funding will prove a difficult task, as lawmakers in Richmond have already stalled on a transportation funding package.

A federal bill that would match the \$1.5 billion over 10 years from local jurisdictions is being held up on Capitol Hill.

Metro riders say the 32-year old transit system is starting to show its age.

"Every week I say to myself, can it be one week in which Metro runs smoothly and without complication?," said one rider recently while standing on the Shady Grove rail station platform, a platform, which coincidentally is being held up by 2x4 wooden beams.

With ridership surging, one of the questions riders often ask is how Metro can be hurting for cash. Fares only pay for the operating cost of Metro. They do not pay for the capital projects, such as power generators, concrete to replace platforms and track fasteners to hold rail lines in place.

It also doesn't help that the cost of fuel has gone up, as well as the cost of electricity.

(Copyright 2008 by WTOP. All Rights Reserved.)

#### RELATED STORY TAGS

[Capitol Hill](#) [John Catoe](#) [Maryland](#) [Richmond](#) [Virginia](#)

[< Back](#)



Serving the Transportation Construction Industry for Over 100 Years



Home Subscriptions Events Calendar Newsletter Contact Us Search: Search for articles, news, products or suppliers



News this week sponsored by: **Caterpillar Inc.**

ARCHIVES  
News  
Articles  
Case Histories  
White Papers

REFERENCES  
Buyer's Guide

SERVICES  
Career Center

SPOTLIGHTS  
August 2008  
Industry Links  
July 2008

ZONES  
Asphalt Roads  
Bridges  
Concrete Roads  
Safety  
Traffic Management

CURRENT ISSUE



Click here for a subscription to Roads & Bridges

Give us your feedback on our site.

Change your subscription info

Subscribe to our Executive News Summary e-Newsletter.

## U.S. DOT chief economist blogs about transportation spending

Wells says spending does not equal a sound short-term economic stimulus  
September 16, 2008

U.S. Department of Transportation chief economist Jack Wells Sep. 16 blogged about transportation spending, particularly with regards to job creation and short-term economic growth.

"It's really more correct to say that the billion dollars 'supports'... jobs because the actual number of new jobs created depends on how much unemployment there is when the highway spending starts," Wells wrote.

Moreover, he added, "It takes a long time for these jobs to be created. Infrastructure construction requires a long series of steps to plan, design, get environmental clearance on and construct infrastructure projects. Only about 27% of the funds, on average, are actually spent ('outlaid') in the first year, while another 41% are spent in the second year."

Read Jack Wells' entire blog entry at [Welcome to the Fast Lane.](#)

Source: *U.S. DOT* September 16, 2008

## INDUSTRY NEWS

### Subscribe

Get the latest industry headlines conveniently in our email newsletter! [Click here to subscribe.](#)

### Share It

[Email this page to a friend](#)

### More News

- [AASHTO president releases statement on transportation investment](#)
- [DelDOT projects may be postponed](#)
- [Corrosion protection technology used to coat rebar in new I-35W bridge](#)
- [U.S. DOT announces \\$5 million to begin funding repair work](#)
- [U.S. DOT chief economist blogs about transportation spending](#)
- [GAO: Highway Bridge Program needs clearer goals and performance measures](#)
- [House passes Highway Trust Fund fix; President next to sign](#)
- [FHWA does not approve Pennsylvania's plans to toll I-80](#)
- [Senate approves \\$8B Highway Trust Fund rescue](#)
- [Vermont shuts down Richmond bridge](#)
- [U.S. Transportation Secretary receives APWA Presidential Leadership Award](#)
- [Bush administration drops veto threat on HTF bill](#)
- [Administration says Highway Trust Fund shortage will result in slowdown of payments](#)
- [U.S. DOT announces quick release of \\$4 million to Louisiana and Mississippi](#)
- [N.J. plan would double tolls by 2023](#)
- [HOT lanes may be better than a sales tax](#)
- [Inactivity plagues state gas taxes](#)
- [OnStar assists motorists evacuating ahead of Gustav](#)
- [R&B readers support McCain; V.P. hopeful Palin supported "Bridge to Nowhere"](#)
- [Emergency repairs for Bay bridge following fatal crash](#)
- [FHWA does not have the funds](#)
- [DUI fatalities down in 32 states](#)
- [2009 National Traffic Management & Work Zone Safety Conference set](#)
- [U.S. DOT awards \\$14.7 million for rural roads safety](#)
- [Idaho roads face funding challenges](#)
- [U.S. DOT approves Utah's I-15 corridor](#)
- [Kentucky will finish bridge alternative study](#)
- [Pa. Turnpike responds to FHWA request](#)
- [Illinois lawmakers again debating infrastructure program](#)
- [U.S. Chamber, associations launch "FasterBetterSafer" campaign](#)
- [Report examines worsening travel infrastructure in Massachusetts](#)
- [Cat, Navistar join forces](#)
- [Senators announce plan to address HTF shortfall](#)
- [ODOT honored for I-5 environmental work](#)
- [W.Va. still waiting for that boom](#)
- [Transportation receives mixed reviews in Va.](#)
- [Private resistance in Florida](#)
- [Not even close](#)
- [Attorney General demands end to free rides in New York](#)
- [Georgia looking at toll option](#)
- [Private group may run Turnpike](#)

## Welcome to the Fast Lane: The Official Blog of the U.S. Secretary of Transportation

September 19, 2008

### Bipartisan Policy Center Comments on our Reform Proposal

Last week, the Bipartisan Policy Center published a [thoughtful look](#) at our proposal to reform, refocus, and renew surface transportation policy in America. While we don't agree with all of the Center's findings, it is definitely worth a read.

-Secretary Peters

[Continue reading "Bipartisan Policy Center Comments on our Reform Proposal" »](#)

Posted at 12:04 PM | [Permalink](#) | [Comments \(0\)](#)

September 16, 2008

### Chief Economist Jack Wells: Transportation Spending, An Inefficient Way to Create Short-Term Jobs

Whenever the economy hits a rough spot, politicians often say that we need to spend more on transportation infrastructure to create jobs. They often cite numbers like "47,500 jobs are created for every billion dollars spent on infrastructure." The Federal Highway Administration has indeed done estimates of the number of jobs that are supported by spending on highway infrastructure, and the "47,500 jobs" number comes from one such study done in 1997. But a billion dollars doesn't buy as much as it used to, in highways as in most things, and, because that billion dollars buys less steel, concrete, and employment-hours, recent updates of those studies have cut the number of jobs supported by a billion dollars in federal highway spending to about 34,800 jobs.

Moreover, that number is based on a federal investment of \$1 billion, assuming that it is matched by \$250 million in state spending. If we calculated the number of jobs supported from \$1 billion in total federal and state spending, the jobs created would fall to about 27,800. Also, it's really more correct to say that the billion dollars "supports" 27,800 jobs, because the actual number of new jobs created depends on how much unemployment there is when the highway spending starts. If most people already have jobs when the construction starts, people will just leave their old jobs to take a new job, and there might be very few new jobs created. The highway construction jobs might be better jobs than people had before, but they won't all be new jobs. It's also important to understand that not all of these jobs are construction jobs. About half of the jobs are created in the construction industry and in supporting industries like steel and concrete production, but half of the jobs are in industries that produce consumer goods and services that construction workers and highway engineers buy with their increased incomes – everything from movie production to fast-food services.

Finally, it takes a long time for these jobs to be created. Infrastructure construction requires a long series of steps to plan, design, get environmental clearance on, and construct infrastructure projects. Only about 27 percent of the funds, on the average, are actually spent ("outlaid") in the first year, while another 41 percent are spent in the second year.

A billion dollars spent on almost anything will create jobs. John Maynard Keynes used to say that, if necessary, we should bury pound notes in bottles and bury them, so that people could dig them up. It's not very useful, but it does create jobs (digging up bottles). The real question is, if we have a billion dollars to spend, what is the best thing to spend it on – better education? Better health care? Better infrastructure? What will produce the greatest

benefits, short-term and long-term, for our economy? The real question to focus on for transportation infrastructure is what impact it will have on improving the long-run productivity of our economy, and how that compares with alternative uses of those tax dollars, rather than on the short-run impact on jobs.

-- Chief Economist Jack Wells

Posted at 11:10 AM | [Permalink](#) | [Comments \(0\)](#)

**September 08, 2008**

### **Deputy Secretary Barrett: Teen Driving Safety: A National Priority**

In the United States, motor vehicle fatalities are the leading cause of death among those ages fifteen to twenty. Approximately 4,000 teens died and 300,000 were injured in motor vehicle crashes in 2006. Even though they drive less than other age groups, mile for mile, teenagers are involved in three times as many fatal crashes as all other drivers.

Teens driving on rural roads face a greater challenge. Even though rural roads carry less than half of America's traffic, they are home to over half of the nation's vehicular deaths. Worse, the fatality rate for rural crashes is more than twice the fatality rate in urban crashes. For teens, the mix of speeding, not wearing a seat belt, driving while distracted (on cell phones or with other teens in the car), driving under the influence of alcohol or other drugs, and driving inexperience, often times has a deadly consequence.

As part of the U.S. Department of Transportation's Rural Safety Initiative, we have partnered with National Organizations for Youth Safety (NOYS) to develop a new generation of advertising and educational materials to encourage teenagers to drive safely. To do that, we called on the one group in America that actually understands how to talk to teenagers and knows how to get them to do something different...other teenagers.

Last month, I invited six extraordinary teenagers living in rural areas around the U.S. to exchange ideas on new ways to communicate with teens about safer driving by teens. Their enthusiasm and passion for advocating traffic safety issues was clearly apparent. We discussed why teens were not using seat belts each and every time they are in a car, ways to prohibit retailers from selling alcohol to minors, how to better target teen drivers through media and communication campaigns, why teens do not perceive distracted driving (such as text messaging while driving) as a dangerous and also what can be done to better prepare teens through driver education to drive on rural roads which are often gravel instead of paved.

[Continue reading "Deputy Secretary Barrett: Teen Driving Safety: A National Priority" »](#)

Posted at 03:15 PM | [Permalink](#) | [Comments \(3\)](#)

**September 05, 2008**

### **Deputy Secretary Barrett: Responding to Hurricane Gustav**

I want to thank the thousands of volunteers and Department of Transportation employees who have pitched in to help evacuate the Gulf Coast, house the 2 million evacuees, and get them back home and rebuild. Natural disasters always pose major challenges, but this nation is up to the task.

As part of the Federal response to Hurricane Gustav, the Department is making \$4 million in emergency relief funds immediately available for Louisiana and Mississippi to help pay for urgent repairs to roads and bridges damaged by floods. The funds will help the Gulf Coast pay for debris removal and initiate repair contracts.

Secretary Peters has been working with other cabinet agencies and with state governments to ensure a strong response to Gustav, and to the storms looming on the horizon. She, I, and the Department will continue to do so,

washingtonpost.com

## Metro's \$11 Billion To-Do List

10-Year Maintenance, Expansion Plan Is Double Previous Capital Spending

By Lena H. Sun  
Washington Post Staff Writer  
Tuesday, September 23, 2008; B01

Metro needs more than \$11 billion over 10 years to maintain, expand and improve train, bus and paratransit service, General Manager John B. Catoe Jr. said yesterday -- more than double what it has spent on capital investment, on average, since 2002.

More than \$7 billion of that is needed to keep the region's largest transit agency running safely and reliably, he said, and \$3.5 billion of the rest would go to run more buses and longer trains to meet growing ridership. Rail ridership is expected to increase at least 22 percent during the next decade, to 1 million trips a day; bus ridership is projected to jump 9 percent, to nearly 600,000 trips a day.

Metro's needs include replacing one-third of its rail fleet, about 300 rail cars that are more than 30 years old and nearing the end of their life cycle; replacing about 100 buses every year; repairing leaky tunnels and crumbling station platforms; and repairing bus garages, one of which is more than 100 years old.

Metro would also need additional funds for tunnels between Farragut North and Farragut West stations and between Metro Center and Gallery Place, long sought by riders.

The agency's current capital needs are funded through July 2010. After that, there is no more money. Capital projects are paid for primarily by state and local jurisdictions served by Metro. The operating budget is funded through local and state governments and passenger fares.

The bottom line, Catoe said, is: "Our house is 32 years old. We have a wet basement, rusty pipes, old wires and a 1976 model car in a 100-year-old garage."

Metro's top executive said the list of capital needs is a starting point for discussions with local, state and federal officials during the next year and a half about which items will be funded. Local jurisdictions are also facing shortfalls, and much will depend on the economy and political decisions at the local, state and federal levels.

"Metro's job here is to say, 'Here's what it costs to do this, and how much do you want to buy?' " said Metro board Chairman Chris Zimmerman, who also serves on the Arlington County Board. The year 2009 "is going to be tough, and for those of us who are doing okay, we're still going to have a fairly tough time putting the budget together the following year."

During the past six years, Metro's capital spending has averaged a half-billion dollars a year, officials said. Costs for construction and materials have increased about 22 percent since 2002, and previous capital plans did not include such major items as replacing original 1970s rail cars. Buying 300 new rail cars will cost about \$900 million.

Advertisement



The capital needs of Metro, the second-busiest rail system, after New York's, are in line with those of other major transit agencies, officials said. Boston, which carries fewer riders, has half a billion dollars a year in capital needs.

Catoe contrasted the federal government's plan to spend \$700 billion "to fix mistakes" in the country's floundering financial system to the \$11 billion needed to "keep a system running that's important to the federal government."

Metro and other transit agencies are pushing for a doubling of transit funds in a major federal transportation bill that expires next September.

Metro is the only major transit system in the country that does not receive a significant source of dedicated capital funding, such as a portion of a sales tax. Although Metro receives some federal funds, a bill pending in Congress would provide Metro with \$1.5 billion in dedicated revenue over 10 years, to be matched by the District, Maryland and Virginia.

Metro and local congressional officials have long argued that because Metro is critical to the federal government -- 40 percent of rush-hour riders are federal workers -- it deserves more federal dollars.

But the dedicated funding bill is held up in the Senate. The District and Maryland have pledged their share for Metro, but legislators in Virginia have not come up with a plan for funding transportation improvements, including Metro's.

"Asking for a billion dollars a year is a tall order, a staggering level of money," said D.C. Council member Jim Graham (D-Ward 1), who represents the District on the Metro board. "We can't get the Congress to appropriate \$150 million or Virginia to appropriate \$50 million. Where do you think a billion dollars a year is going to come from?"

At a D.C. Council hearing yesterday, Jack Evans (D-Ward 2) criticized Virginia for not doing more to support Metro. He suggested that the District's Metro board members derail the proposed Metrorail extension to Dulles International Airport unless Virginia members support a measure the District wants: moving Metro's headquarters from downtown Washington to Anacostia.

The decisions for rail to Dulles were made years ago, and, practically speaking, only the Federal Transit Administration can kill the project -- by not providing funds.

Jeff C. McKay, who represents Virginia on the Metro board and is a member of the Fairfax County Board of Supervisors, said it was "outrageous" to suggest that Virginians are not contributing their fair share, noting that recent fee increases hit long-distance riders the most, in higher fares and parking costs.

In an e-mail, he said comparing the "ill-conceived" proposal to move Metro headquarters with Dulles rail was absurd. "To D.C., I would say, 'Policy by intimidation is no way to do things.' "

**Post a Comment**

[View all comments](#) that have been posted about this article.