

WHAT ABOUT TRANSPORTATION?

Presidential Candidates Voice Thoughts on Nation's Future



You would think that with all the frequent travel miles and long bus rides that major U.S. presidential candidates Sen. Barack Obama and Sen. John McCain have endured in the past 20 or more months on the campaign trail, they would talk about the importance of the nation's transportation system a little more than they have.

Especially when you consider what nationalatlas.gov has to say on the topic of transportation: **"Our strong and efficient transportation system provides businesses with access to materials and markets, and provides people with access to goods, services, recreation, jobs, and other people. Transportation touches each one of us every day in all aspects of our lives."**

However, despite **Transportation** consisting of **nearly 11 percent of the nation's gross domestic product and equaling \$1.3 trillion in 2005**, according to the U.S. Census Bureau's 2008 Statistical Abstract of the United States, it's difficult to find either Obama's or McCain's thoughts on transportation.

It's really discouraging when you consider that, according to nationalatlas.gov, **"Transportation accounts for 19 percent of spending by the average household in America** – as much as for food and healthcare combined – and is second only to spending on housing."

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Infrastructure Insight is featuring a series of articles on innovative transportation financing ideas. In this issue, we study Congestion Pricing and Dedicated Freight Lanes:

Innovative Transportation Financing Ideas

VMT TAX

SPRING

P3s

SUMMER

Congestion
Pricing &
Dedicated
Freight Lanes

FALL

HOW ARE WE GOING TO PAY FOR INFRASTRUCTURE IN THE COMING DECADES?

A Look at Congestion Pricing & Dedicated Freight Lanes

In this issue, the focus shifts to a couple of other ideas that are being used to both enhance the transportation of freight and manage traffic more efficiently.

High-occupancy vehicle (HOV) lanes are specifically reserved for vehicles with at least one passenger in addition to a driver. HOV lanes are intended to move traffic along at full speed, while surrounding roads

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Despite the importance of the topic, transportation is being overlooked – even on the candidates' Web sites. At www.barackobama.com, the topic of transportation is not among the 26 major issues covered; however, infrastructure is mentioned as a part of Obama's Urban Policy and Rural Plans. At www.JohnMcCain.com, transportation wasn't among the candidate's 21 issues provided on the Web site.

With that said, while neither Obama nor McCain brought up the importance of transportation, ironically, in the midst of crisscrossing the U.S. on the campaign trail, they answered questions on the topic when asked by the American Automobile Association (AAA).

In the September/October issue of its *Home & Away* magazine, AAA conducted a "Transportation Talk" interview with both candidates. Here are excerpts from those interviews:

AAA: ... With the next highway authorization scheduled for renewal (in 2009), what role do you think the federal government should play in addressing the deterioration and growing inefficiencies of our highways, bridges and transit systems?

Obama: "... The federal government has to take the lead on large-scale infrastructure upgrades that the country so desperately needs.

"What I have proposed is a \$60 billion supplement (with) a more rational capital budget to invest in 'smart growth,' including incentives to reduce congestion."

McCain: "... I believe strongly that transportation funding decisions must be based on input from state and local officials that understand their unique transportation needs and priorities better than the politicians in Washington, D.C. I would like to be in a situation where state and local governments have much stronger input (on transportation funding)."

AAA: ... Investing in the nation's transportation infrastructure, how would you fund this?

Obama: "I will work to reform the federal transportation funding process and also create a new national infrastructure reinvestment bank to invest \$60 billion in additional direct federal funding over 10 years into

our transportation infrastructure. The bank will use this \$60 billion to leverage private and public capital to spur even more investments into our infrastructure ..."

McCain: "... I have fought for more equitable disposition of Highway Trust Fund dollars. I believe that a higher share of the taxes collected at the gas pump should go back to the state where those taxes were paid, and I've cosponsored legislation that would allow states to keep almost all of their gas tax revenues for their own transportation projects without interference from Washington, D.C. ..."

AAA: ... How high a priority will (your administration's transportation policy) be compared to the war in Iraq, the economy, healthcare reform and all the other issues our nation is facing?

Obama: "Modernizing American infrastructure is a critical component of my long-term economic growth agenda. While China, India and other countries are making significant investments in upgrading their roads, bridges and ports, Washington, D.C. has not only provided too few resources to maintain our existing infrastructure but also paid little attention to building new infrastructure to accommodate a growing population and the demands of a 21st-century economy ..."

McCain: "... I believe that the state of our transportation sector is inextricably linked to the health of our economy. We must have a 21st-century transportation sector to underpin our modern economy. I'm committed to the modernization of all aspects – highway, rail, transit and beyond – of our transportation sector ..."

And if voters are looking for one area where Obama and McCain agree, it's on the topic of **the federal gas tax – which was raised to 18.4 cents/gallon in 1993, but only has the equivalent purchasing power of 12.1 cents/gallon in 2008.**

AAA: Is an increase in the fuel-tax rate on the table?

Obama: "I do not support raising the federal gas tax."

McCain: "Of course not ..."

(Editor's note: The Ohio Construction Information Association is not endorsing either candidate.)

are congested. Numerous cities use HOV lanes, including: Atlanta, Houston, Los Angeles, Washington, D.C. and Seattle.

Working in conjunction with HOV lanes are high-occupancy toll (HOT) lanes. As the name implies, these lanes require that a single driver pay a varying toll that changes throughout the day based upon traffic conditions. Interestingly, there are cities that make some HOT and HOV lanes reversible, where the same lane used for inbound traffic during the morning is also used by outbound traffic in the evening.

HOV and HOT lanes represent a market-based mechanism for dealing with congestion in high-traffic-volume areas. While the tolls that are paid by drivers do not always go to the actual construction of new lanes – a criticism that has been raised by those who consider the tolls a form of “double-taxation” – it is a way to stretch scarce resources by finding the most efficient use of existing lanes. The Federal Highway Administration supports HOV and HOT lanes as part of what can be a multi-faceted traffic management program.

Meanwhile, “Truck Only Lanes” or “Freight Lanes” are also being examined as a way to enhance the national transportation infrastructure. Essentially these would be additional toll lanes that would only be utilized by trucks for freight movement. The core idea being that increased speed, reliability and payload would provide the right incentives for trucking companies and shippers to pay for superior

“As part of an overall approach to respond to increased travel demand and address traffic congestion, HOV and HOT lanes can be a practical alternative to adding more general-purpose travel lanes.”

(FHWA, August 2008)

performance. These narrowly focused tolls would direct money in a targeted way, as opposed to merely increasing the diesel fuel tax those companies now pay. This idea of a toll lane designed specifically for “superior performance” for freight delivery will be especially important in the future, as the dramatically increased level of freight being carried by trucks will coincide with the anticipated growth of regular traffic congestion.

Ohio could soon find out how well these truck-only lanes will work. As part of a program known as “Corridors of the Future,” a federal initiative to develop multi-state highways that will help reduce congestion, Ohio, Illinois, Indiana and Missouri will begin examining truck-only lanes over a 789-mile stretch of Interstate 70. Particularly attractive in testing for reduced congestion and rapid freight movement along this route is that I-70 travels within 25 miles of six major international airports and air-cargo hubs.

The future of the nation’s highway funding is in doubt. Numerous ideas are being floated around as to how to best enhance an **aging infrastructure that needs not only repairing, but significant upgrades in order to keep America moving forward.** Whether it’s Vehicle Miles Traveled, Public-Private Partnerships, HOV, HOT and freight lanes, increased gas tax, or some combination of them all, the time is now for investment.

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I-70 Project Description

This project proposes dedicated and segregated truck lanes along I-70 from the Interstate 435 beltway on the eastern part of Kansas City, Mo., to the Ohio/West Virginia border near Bridgeport, Ohio/Wheeling, W.Va.

The concept proposes adding four, dedicated truck lanes to the existing infrastructure, two in each direction, with at least one interchange per county providing access to the truck lanes and includes, conceptually, truck staging areas.

(<http://www.corridors.dot.gov/i70.htm>)



HOW DO THE NATION'S ROADS, BRIDGES SPELL RELIEF? H-R-6-5-3-2

Whether it was the result of a well-placed telephone call or a chance to build some late-summer excitement, courtesy of 1600 Pennsylvania Ave., a stroke of a pen prompted a nationwide sigh of relief.

The relief came in the form of the Highway Trust Fund (HTF) Restoration Act (H.R. 6532), which provides \$8 billion to fund the nation's road and bridge program through FY 2009. President George W. Bush's signature on September 15 staved off a \$10.9-billion funding cut for the nation's transportation infrastructure that would have occurred at the beginning of the fiscal year on October 1.

The \$8 billion was money that was originally in the HTF but was transferred into the General Fund in 1998.

The HTF, which is funded through the **federal gasoline tax of 18.4 cents/gallon – and hasn't been raised since 1993** – provides funding to states for highway and bridge projects. **Money in the HTF has been decreasing for some time, as Americans are buying less gas because they are driving less due to record-high motor-fuel prices and more fuel-efficient vehicles.**

While the Transportation Construction Coalition (TCC), a group of 28 national associations and labor unions that focus on federal budget and surface transportation program policy issues, has been working the last seven months with Congress toward legislation to keep the HTF solvent, it took a phone call from Transportation Secretary Mary Peters to get through to the White House.

Less than three and a half weeks before the start of FY 09, Peters acknowledged the HTF had an insufficient balance to continue to make full and timely payments to reimburse the states for on-going federal-aid highway construction projects. The situation was bleaker than realized, as Peters announced on Friday, September 5, that by the following Monday (September

8), the Federal Highway Administration would have to pay vouchers to the states once a week – at a reduced rate – instead of the standard operating procedure of twice daily.

Thankfully for the Americans whose jobs were in jeopardy because of the HTF's predicted insolvency, President Bush got Peters' message.

The signing of H.R. 6532 prevented the projected job losses for nearly 380,000 people nationally who are employed in the transportation construction sector. According to the TCC, **more than \$350-million in funding and 12,215 jobs in Ohio were in jeopardy** if the bill wasn't passed and signed by the October 1 deadline.

According to U.S. Rep. Steven C. LaTourette, who serves the 14th District in Northeast Ohio, **failure to address the HTF shortfall could have been "devastating to Ohio."** He said the Buckeye State was slated to receive \$1.2 billion in FY 2008 from the HTF; if Congress hadn't acted, Ohio would have received less than 72 percent of that amount (\$901 million). The more than 12,000 Ohio jobs jeopardized because of the potential insolvency of the HTF were the eighth highest among all states.

Now that the nation's road and bridge system will be funded at the authorized level set forth by the current federal transportation funding bill (SAFETEA-LU, which expires in October 2009), a collective quick sigh of relief will be taken by transportation officials before once again holding their breath for next year's reauthorization process. **"The cash-flow crisis that is being temporarily averted by this action should be taken as a wake-up call** for the new Congress and president," said American Road & Transportation Builders Association President/CEO Pete Ruane. **"The federal responsibility to make the surface transportation capital investments necessary to keep the American economy growing cannot be sustained with a static 15-year-old gas tax rate."**

AMERICA'S CERTAINTIES: DEATH, TAXES, CLEAN WATER

Death, taxes and clean tap water are three things Americans can feel pretty certain about ... OK, maybe death and taxes.

A 90-minute documentary highlighting the state of the nation's water, wastewater and stormwater infrastructure may be having Americans re-think what they've taken for granted for generations.

"People will tolerate some inconveniences," said Associated General Contractors (AGC) of America CEO Stephen E. Sandherr. "But when they turn that tap on, there's an expectation that they're going to get clean water coming out of it. When they don't have that confidence, there will be an outcry."

Following the October debut of the Public Broadcasting Service (PBS) documentary "Liquid Assets: The Story of Our Water Infrastructure," let the outcry commence.

Recently shown on PBS stations throughout Ohio, viewers learned from the documentary how there are approximately **2-million miles of pipes handling the nation's drinking, waste and stormwater infrastructure – some have been in service for more than 100 years.** Most of the primary water pipes and sewer lines were built during the late 1800s, 1920s and immediately following World War II in the mid-1940s. These pipes, as with anything (see reference to death above), are wearing out under the weight of age, improper maintenance and a growing population.

And **when the pipes malfunction, leaking sewage happens** – in the form of an EPA-estimated **1.28 trillion gallons discharged onto beaches and into open waterways annually.** According to EPA's 2000 Water Quality Needs Survey Assessment, **48 percent of Ohio's river miles and 33 percent of its lakes are impaired; none of Ohio's 262 miles of Great Lakes' shorelines support fish consumption.** And for sunbathing in Ohio, the number of beach closures and swimming advisories, because of water infrastructure malfunctions, rose from 182 in 2005 to more than 600 in 2006. EPA estimates that **swimming in contaminated water with raw sewage causes illnesses** for 1.8 million to 3.5 million Americans each year.

Malfunctioning pipes don't only affect shorelines and waterways, as sewage is also seeping into groundwater; nearly one out of every three Americans are dependent on underground sources for drinking water.

Improvements are trying to be made, but projects are backed up because of funding. **Ohio currently has more than 150 wastewater projects waiting funding at a cost of \$751.9 million to complete. And like a trickling tap, Ohio received only \$60.3 million in federal Clean Water State Revolving Fund grants in 2007.**

Liquid Assets, which was produced by Penn State University Public Broadcasting, and which AGC was a major contributor to the documentary's funding, hopefully not only raised awareness to the nation's water infrastructure problems but also action. **Officials are calling for Congress to establish a Clean Water Trust Fund to help fund critical upkeep and improvement to the nation's water infrastructure – a move that 83 percent of Americans are said to support.**

If Liquid Assets did not appear in your viewing area, contact your local PBS station and request it to be aired.

II

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The next time you need help in communicating your message or solving a problem related to our infrastructure, turn to OCIA for:

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Your Infrastructure Assistance Hotline

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The Ohio Construction Information Association Membership Application

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