

MAP-21: Funding, Policy, and Responses Across the United States

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Presentation to the
Washington State Transportation Commission
March 20, 2013



The
Economist

MARCH 18TH-22ND 2013

economist.com

What Obama should say in Israel
India's new high-tech firms
Francis: the southern pope
China's billionaire politicians
Lilian, most romantic of princesses

The America that works



A special report on
the competitive surge that even
Washington cannot stop

*“America’s infrastructure is in a dire state, stimulating a search for creative solutions. While the federal government twiddles its thumbs, **states and cities, which are much shorter of cash, are coming up with new ways to raise money for roads, bridges.***”

www.economist.com/news/special-report/21573285-americas-infrastructure-dire-state-stimulating-search-creative-solutions

Transportation Issues Daily



Congress can't agree on how or what to fund, regardless of who's in charge

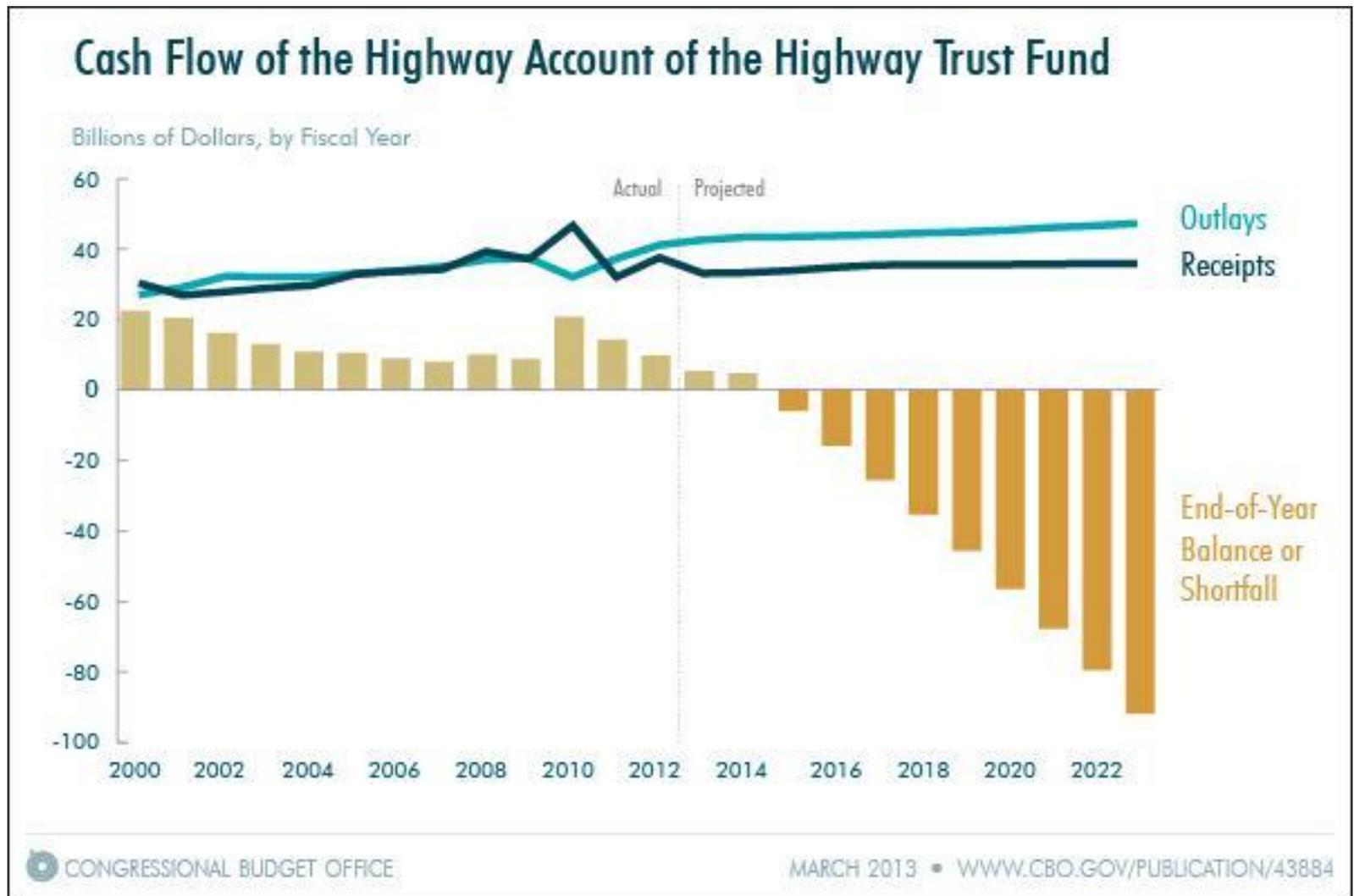
Extensions of transpo bill		Duration
<i>Democrats control White House, Congress</i>		
1	October 1, 2009	1 month
2	October 30	1.5 months
3	December 19	2.5 months
4	March 2, 2010	2 weeks
5	March 18	9.5 months
<i>Nov. 2010 election – Democratic White House & Senate, Republican House</i>		
6	December 22, 2010	3 months
7	March 4, 2011	7 months
8	September 13, 2011	6 months
9	March 29, 2012	3 months
10	<i>July 1</i>	1 week
<i>MAP-21 enacted</i>		July 6, 2012



Root challenge: No consensus on new federal role



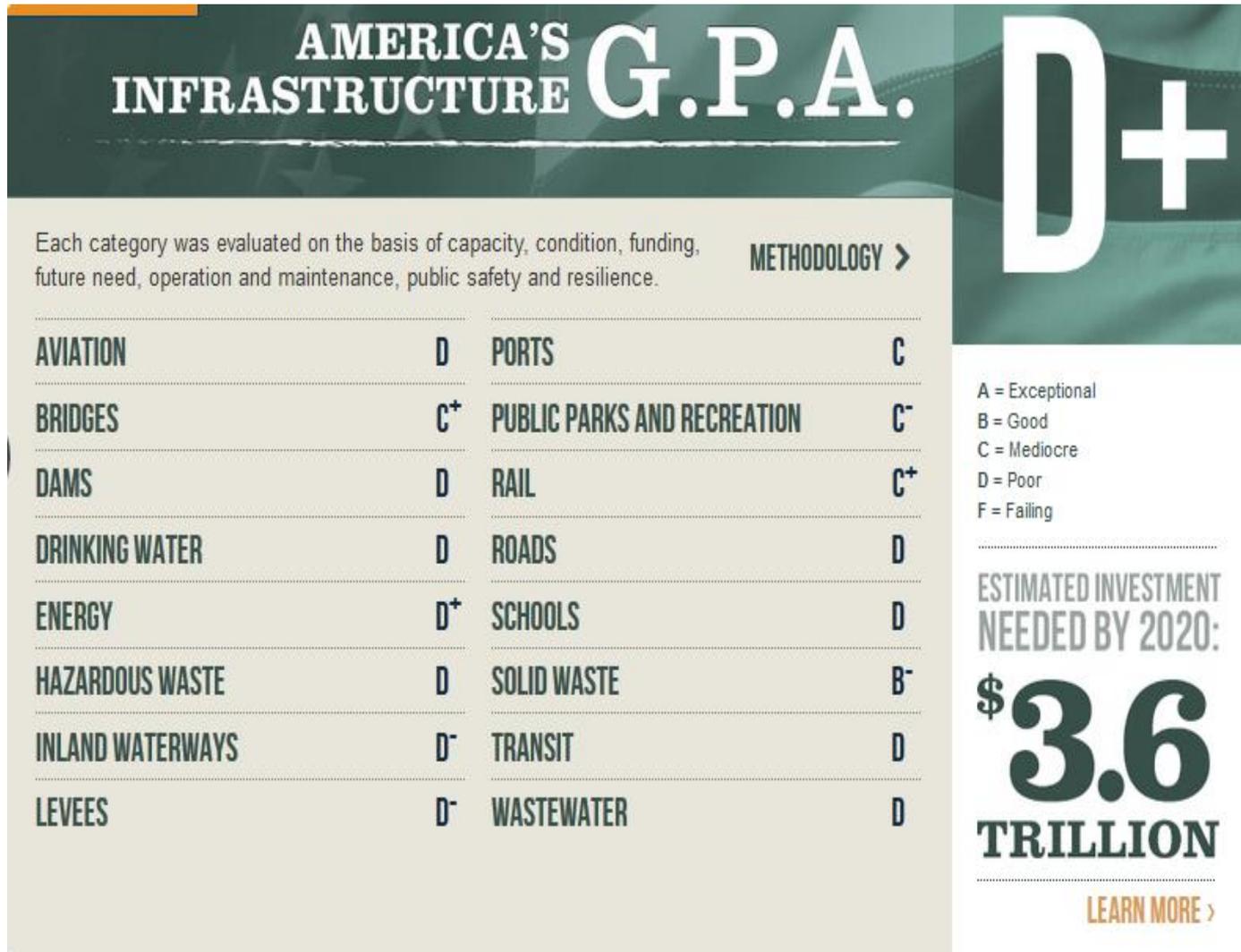
One result is declining federal funding



Initial response a few years ago from states and locals? Hope and prayers.



Meanwhile backlog of needed repairs grows



www.infrastructurereportcard.org/



Hope gave way to frustration.



Today: Many Governors and Mayors are just moving on.

2013 – Governors, Legislatures Act

Transportation investment proposals in 25 states

All regions of country

At least three Republican Governors proposed plans or are agreeable to a gas tax increase with some conditions (Iowa, Virginia, Michigan)



2013 – These states working on legislation.

1986: Virginia

1987: South Carolina

1988: Mississippi

1991: Massachusetts, New Hampshire, Texas

1992: Maryland. Missouri

1997: Pennsylvania

1998: Wyoming

2002: Indiana

2006: Ohio

2011: Oregon



2013 – These states working on legislation

1986: Virginia

1987: South Carolina

1988: Mississippi

1991: Massachusetts, New Hampshire, Texas

1992: Maryland, Missouri

1997: Pennsylvania

1998: Wyoming

2002: Indiana

2006: Ohio

2011: Oregon

**Last year
these states
raised their
gas tax**



Some states contemplating investment

Michigan: Republican Governor called for \$1.2B in higher gas taxes and MVET

Mississippi: DOT pushing 10 cent-a-gallon gas tax increase

Connecticut: Legislation to reestablish tolls

New Hampshire: 12-cent gas tax increase over 3 years, MVET fee

Vermont: Proposed 4% sales tax on gas

Maine: Legislature and voters approve \$120 in bond proposals

Virginia: enacted legislation



Themes

Gas tax increase

Sales tax on gas (new, or increased)

Vehicle licensing fee (new, or increased)

Replacing per-gallon gas tax with wholesale gas tax

Fees on hybrids

Transfers from education funding (Arkansas, \$2b over 10 years)



Sample of local measures passing in 2012

Arlington County (VA): bonding for transit

Conelius (OR): extension of local gas tax for road improvements

El Paso County (CO): sales tax increase for rural transit capital

Kalamazoo (MI): property tax increase for transit

Napa County (CA): half cent, 25-year sales tax for streets, sidewalks

Orange County (NC): half cent sales tax for regional transportation

Philadelphia: borrowing \$123 million for capital improvements

Richland County (SC): one cent sales tax for roads and transit

68% of the 2012 ballot measures to increase or extend funding for highways, bridges and transit passed. The successes came at the state and local levels, and for roads, transit or both. Many of the measures increased, extended or renewed a property or gas tax. Three of the four statewide measures to raise additional transportation funds passed with an average approval rate of 63 percent.



Transportation Benefit Districts in Wa State

Passed in 2012

Bainbridge Island

Castle Rock

Kelso

Maple valley

Kittitas

Lynden

Royal City

Stanwood (2013)

Toppenish

Waitsburg

Wapato

Passed in 2011

Ferndale

Grandview

Mabton

Mountlake Terrace

North Bend

Orting

Snohomish County

Spokane

Walla Walla

Wenatchee

Zillah



Why Governors and Mayors aren't waiting: *jumpstart economic recovery and vitality*

INVESTING IN INFRASTRUCTURE - OUR NATION'S ECONOMIC ENGINE

BETWEEN NOW AND 2020, THE INVESTMENT
SHORTFALL WILL GROW TO \$1.1 TRILLION.

\$1.66T
CURRENT
NEED

\$1.1T GAP

\$2.75T
FUTURE
NEED

BY INVESTING AN ADDITIONAL
\$157B PER YEAR THROUGH 2020,
WE CAN PREVENT:

\$3.1 Trillion
loss in GDP

\$1.1 Trillion
loss in total trade

\$3,100
per year drop in personal
disposable income per
household

\$2.4 Trillion
drop in consumer
spending

3.5 Million
job losses

AGING AND UNRELIABLE INFRASTRUCTURE
WILL INCREASE COSTS BY

\$1.2 TRILLION
FOR BUSINESSES

\$611 BILLION
FOR HOUSEHOLDS



Learn more at
asce.org/failuretoact

ASCE
AMERICAN SOCIETY OF CIVIL ENGINEERS



Why Governors and Mayors aren't waiting: *repair deteriorating roads of the 50s, 60s and 70s*



Why Governors and Mayors aren't waiting: *changing patterns of trade and commerce*



Why Governors and Mayors aren't waiting: *constituents want different solutions and options*



Our competitors are not standing still

[British Columbia Port Breaks Ground on \\$88 million Expansion to Increase Exports, Imports](#)

[Los Angeles Harbor Commission advances \\$500 million BNSF "benchmark" rail yard](#)

[Port of Long Beach seeks to form maritime business enclave](#)

[Port of Vancouver BC has Record Year for Containers, Capacity Projects](#)

[Port of Prince Rupert On Course to Exceed Last Year's Record Shipments](#)

[Port of L. A. Increases Competitive Edge with New Rail-Marine Asian Trade Agreement](#)

[Florida Governor Recommends \\$288 Million Spend on Ports](#)

[Governor Announces \\$38 million commitment for Jacksonville Port](#)

[Feds OK \\$652 million Savannah Port Dredging for Panama Canal Traffic](#)

[Port of Miami pursuing more than \\$1 billion in freight mobility improvements](#)





Website: www.TransportationIssuesDaily.com

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Meanwhile. . . .

ROUGH ROAD AHEAD

THE ECONOMIC IMPACT OF AMERICA'S FAILING TRANSPORTATION INFRASTRUCTURE BY 2020

Families have a
**LOWER STANDARD
OF LIVING.**

American families would earn
\$700 less each year.

+

And spend **\$360 more**
each year.

=

Total impact on each family's budget:
\$1,060 per year.

American businesses
and workers
PAY A HEAVY PRICE.

America would lose
877,000 jobs.

Another **234,000** jobs exist only if
many more workers agree to paycuts.

Between now and 2020
transportation costs
increase \$430B.

**AMERICA LOSES GROUND
in the global economy.**

U.S. exports would drop by
\$28 billion.

+

Exports drop in
79 of 93 different
tradable commodities.

=

America's gross domestic
product underperforms by
\$897B.

**FOR AN ADDITIONAL
INVESTMENT OF
\$94B PER YEAR
WE CAN:**

+ Create
millions
of jobs

+ Protect
another 1.1
million jobs

+ Save nearly
2 billion hours
in travel time

+ Save each
family \$1,060
per year

+ Add \$2,600 in
GDP for every
person in the U.S.

Source: American Society of Civil Engineers

