

THE

# AASHTO Journal

WEEKLY TRANSPORTATION REPORT  
SUNNY MAYS SCHUST, EDITOR

Vol. 108, No. 6

February 8, 2008

## EXECUTIVE DIGEST

### Congress

The Bush Administration on Monday released its Fiscal Year 2009 budget proposal which falls some \$1.8 billion short of the highway funding level and \$200 million short of transit funding level set for FY 2009 in the highway and transit authorizing legislation. A reduction of \$765 million is proposed for grants under the Airport Improvement Program. Page 1.

With a shortfall of \$3.2 billion projected in the Highway Account of the Highway Trust Fund (HTF) in Fiscal Year 2009, the Bush administration has proposed to fix the problem by borrowing up to that amount from the Mass Transit Account. Page 4.

Senators on the Environment and Public Works Committee this week turned to the transportation community to support legislation they plan to introduce based on the recommendations of the National Surface Transportation Policy and Revenue Study Commission. Page 5.

The National Surface Transportation Infrastructure Financing Commission released its interim report last week, saying the nation's surface transportation system is in a "physical and financial crisis" because current revenue are insufficient to maintain and improve this country's highways, public transportation systems and intermodal connectors. Page 8.

Only two weeks after President Bush called for passage of a stimulus package to boost the nation's flagging economy, the Congress passed a \$168 billion bill including rebates for taxpayers, senior citizens and disabled veterans, and tax benefits for business. The President indicates he will sign the bill. Page 9.

U.S. Environmental Protection Agency Administrator Stephen Johnson released the Administration's \$7.14 billion Fiscal Year 2009 budget Monday that is down from \$7.5 billion for this year and includes programs aimed at climate change, clean water, land use, ecosystems protection, compliance and environmental stewardship. Page 10.

## Information

Missouri Department of Transportation Director Pete Rahn on Wednesday outlined for the state legislature dramatic improvements in safety, pavement quality, and on-time, on-budget project delivery. But he also warned that in 2010, “the bottom drops out of Missouri’s transportation funding,” adding that the state faces an \$18 billion gap in meeting future transportation needs. Page 11.

A 1 cent regional sales tax hike to provide revenue for transportation projects is one of the recommendations made by a special Joint Study Committee on Transportation Funding in the Georgia legislature. Page 11.

The 600-mile Nebraska Expressway System is unfinished after two decades of work and \$1.2 billion spent on the project. Page 12.

AASHTO holds a series of National Transportation Management Conferences this summer and fall that are tailored to new mid-level department of transportation managers who are transitioning from a more technical job. Page 13.

Competition criteria and nomination forms are available for 2008 AASHTO award competitions, which recognize state department of transportation personnel who are achieving great things in the transportation field. Page 14.

State transportation departments have only three weeks remaining to apply to attend AASHTO’s National Transportation Leadership Institute to be held at Indiana University, April 6-19. Page 14.

AASHTO seeks an AMRL/CCRL manager responsible for the management of the AASHTO Materials Reference Laboratory (AMRL) and the Cement and Concrete Reference Laboratory (CCRL). Please send cover letter and resume by Feb. 20. Page 15.

Online registration for the 2008 AASHTO Washington Briefing closes the end of Tuesday, Feb. 12. Page 15.

THE

# AASHTO Journal

WEEKLY TRANSPORTATION REPORT  
SUNNY MAYS SCHUST, EDITOR

Vol. 108, No. 6

February 8, 2008

## Cuts Proposed in FY 2009 Transportation Budget

The Bush Administration on Monday released its Fiscal Year 2009 budget proposal which falls some \$1.8 billion short of the highway funding level and \$200 million short of transit funding level set for FY 2009 in the highway and transit authorizing legislation. A reduction of \$765 million is proposed for grants under the Airport Improvement Program.

### Highways

Federal-aid highway obligations proposed in the Administration's budget total \$39.4 billion for FY 2009, which is \$1.8 billion lower than \$41.2 billion guaranteed in the Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). The highway funding level enacted by Congress for FY 2008 was \$41.2 billion, including the \$1 billion in additional funding provided by appropriators for the bridge program. Thus the Administration's proposal for FY 2009 is also \$1.8 billion below the program level for the current year. This reduction is in part the result of \$1 billion in negative adjustment of the Revenue Aligned Budget Authority and an additional reduction of \$800 million proposed by the Administration.

The Administration maintains that the five-year overall SAFETEA-LU authorization level of \$286.4 billion will have been achieved with their proposed FY 2009 highway funding level of \$39.4 billion. The explanation behind the Administration's proposed reduction is to offset the \$1 billion approved by Congress for the bridge program in the current year by subtracting it from next year's funding levels for highways—an \$800 million reduction—and transit, a \$200 million reduction.

For FY 2009, the administration's budget also rescinds a total of \$12.5 billion in unobligated funds in the highway program. This is comprised of: \$8.6 billion in contract authority rescissions built into SAFETEA-LU slated to take effect on September 30, 2009; \$3.15 billion in additional contract authority rescissions; and a total of \$735 million in cancellation of unobligated balances from earmarked projects contained in the Transportation Equity Act for the 21st Century (TEA-21)—\$626 million—and the Intermodal Surface Transportation Efficiency Act (ISTEA)—\$109 million.

For TEA-21, cancelled funds are to come from High Priority Projects for which obligations to date equal less than 10 percent of the total authorized amount for the projects. ISTEA demonstration project funds, if cancelled, would be redirected into the Administration's two congestion reduction initiatives—\$100 million for metropolitan area congestion projects and \$75 million for the Corridors of the Future program.

### Transit

Proposed transit funding is \$10.1 billion for FY 2009, a cut of more than \$200 million from SAFETEA-LU funding. Formula and bus grants count for \$8.36 billion; \$1.62 billion for Capital Improvement Grants; \$60 million for University Transportation Center research; and \$94 million for Federal Transit Administration expenses. The Capital Improvement Grants or "new starts" took the brunt of the proposed reduction, with the Administration proposing a \$189 million cut to that program.

### Rail

As in the prior years, the Bush Administration targeted Amtrak for cuts, requesting \$800 million for FY 2009. For FY 2008, the Administration requested \$900 million, but Congress eventually approved more than \$1.355 billion (see related story). Overall, passenger and freight rail programs are reduced \$470 million to \$1.09 billion for FY 2009.

According to the National Conference of State Legislatures, Operating Grants to Amtrak, worth \$475 million in FY 2008, are zeroed out and rolled into a new Efficiency Incentive Grant program, proposed at \$275 million for FY 2009, which would be distributed to Amtrak at the discretion of the transportation secretary based upon proposals submitted by Amtrak. The administration also proposed to reduce capital and debt service funding for Amtrak from \$850 million in FY 2008 to \$525 million in FY 2009.

The Capital Assistance to States Intercity Passenger Rail Grant Program, created in FY2008 at \$30 million, is converted to an Intercity Passenger Rail Grant Program worth \$100 million. The budget proposal notes that under this program, a state or states may apply for grants for up to 50 percent of the cost of capital investments necessary to support improved intercity passenger rail service that either requires no operating subsidy or for which the state or states agree to provide any needed operating subsidy. "To qualify for funding, the states would have to include intercity passenger rail service as an integral part of the statewide transportation planning ... [and] the specific project would have to be on the Statewide Transportation Improvement Plan at the time of application," NCSL said

### Aviation

Proposed aviation funding is down from \$14.9 billion in FY 2008, to \$14.64 billion in FY 2009. This includes a \$15 million cut in Essential Air Service to \$50 million for FY 2009. The Airport Improvement Program (AIP) is proposed to be reduced to \$2.75 billion from the \$3.515 billion level appropriated for FY 2008, a cut of \$764 million. AIP provides the infrastructure funding account that large and small airports for both commercial and general aviation rely on for financing important infrastructure projects to help address safety, capacity and congestion needs.

### Other Programs

National Highway Traffic Safety Administration funding is \$852 million with \$232 million in safety, operations and research. State safety grants total \$620 million.

The Federal Motor Carrier Safety Administration is fully funded at \$541 million, with operations totaling \$234 million and \$307 million for grants. Maritime programs are funded at \$307 million.

### Transportation Community Reaction

The Administration's budget was not well received by Washington's transportation interests.

Greg Cohen, president and chief executive of the American Highway Users Alliance said, "The Department of Transportation estimates that \$1 billion in highway funding sustains 47,500 jobs, so it is baffling that the Administration would propose funding cuts that will put up to 100,000 American jobs in jeopardy."

"Only days after a bipartisan commission [the National Surface Transportation Policy and Revenue Study Commission (NSTPRSC)] issued recommendations showing that long-term solutions exist to get Americans moving again, the Administration poured cold water on drivers' hopes for federal leadership in combating traffic congestion, moving freight, and saving lives on our highways."

Ed Wytkind, president of the AFL-CIO's Transportation Trades Department said, "Eight consecutive Bush budgets have neglected our national transportation system and left our economy vulnerable. The decaying state of our transportation infrastructure isn't some theory—the collapse of the I-35 bridge in Minneapolis is proof that more inaction and neglect threaten Americans' lives and our national economy. You can't just wish for things to somehow take care of themselves—you have to establish priorities and commit the resources to make them happen."

American Public Transportation Association (APTA) President William Millar criticized reduced transit funding, as well as raiding the mass transit account. "[APTA] is outraged that the Bush Administration's budget request for FY 2009 would cut \$202.1 million for public transportation and proposes to transfer an estimated \$3.2 billion dedicated for public transportation to fund highway projects," he said. "The tens of millions of Americans who depend on public transportation should not be treated as second class citizens compared to people who choose to drive cars."

Ross Capon, executive director of the National Association of Railroad Passengers, which lobbies for intercity passenger rail, said the Administration's budget again threatens to shut down Amtrak. "Ignoring the recommendations of the NSTPRSC, polls and referenda around the country showing that Americans want passenger trains as a travel choice, and support from Congress, President Bush again has proposed to dismantle the national train system with a shutdown budget of \$800 million, a figure \$525 million below this year's budget," he said. "By proposing a 40 percent cut in Amtrak funds, the Administration would reduce the American people's travel choices in an era of rising gas prices, concerns about the environment, and hours of lost productivity due to highway and aviation congestion."

## **Administration Proposes to Borrow Transit Funds to Postpone Shortfall in Trust Fund**

With a shortfall of \$3.2 billion projected in the Highway Account of the Highway Trust Fund (HTF) in Fiscal Year 2009, the Bush administration has proposed to fix the problem by borrowing up to that amount from the Mass Transit Account.

According to the latest calculations by the Administration, the Highway Account will fall some \$3.2 billion short of the amount needed in FY 2009 to fund the highway program at the level authorized in SAFETEA-LU. This negative balance of \$3.2 billion in the HTF would result in as much as a \$12 billion reduction in the federal highway program in FY 2009, due to the nature of the highway program spendout rate where a substantial amount of existing obligations are expected to be met using future tax revenues.

Last July, the mid-year review of the federal budget by the Department of the Treasury warned that a \$4.3 billion shortfall is anticipated in the HTF in FY 2009. The Administration's budget proposal now estimates the shortfall in the Highway Account at \$3.2 billion, based upon slower than expected outlays and reduced obligations in part due to negative RABA.

In a media conference call briefing on the budget, U.S Transportation Secretary Mary Peters said the proposed \$3.2 billion cash advance from the Mass Transit Account to the Highway Account would be a "temporary, repayable advance, should that be needed" to prevent the Highway Account from becoming insolvent in FY 2009. This transfer would leave the Mass Transit Account with a balance of \$1.2 billion.

Executive Director John Horsley said AASHTO opposes this "rob Peter to pay Paul" strategy. He added, "It will only serve to delay by one year the necessity to act to ensure sufficient revenue to the Highway Trust Fund to sustain highway programs at current levels. At the same time, it will accelerate a looming shortfall in the Mass Transit Account, potentially leaving that account in the red as soon as FY 2011.

"We believe that the Congress, with the leadership of Senators Max Baucus (D-MT) and Charles Grassley (R-IA) will propose a better solution to the Highway Trust Fund crisis in order to meet both highway and transit critical needs."

### Baucus-Grassley Proposal Pending in FAA Reauthorization

Senate Finance Committee Chairman Max Baucus (D-MT) and Ranking Minority Member Charles Grassley (R-IA) have crafted a proposal to address the Highway Account shortfall, which was attached last year by the committee to the pending Federal Aviation Administration authorization bill. It would secure some \$5 billion to shore up the highway account of the Highway Trust Fund this fiscal year and next.

Roughly \$3.3 billion in highway account revenues would be recaptured crediting the Highway Trust Fund for emergency expenditures paid out since 1998. Federal expenditures receiving an emergency designation are not considered new spending.

The legislation also restructures current fuel tax exemptions and refunds provided to state and local governments to be credited to the General Fund instead of the Highway Trust Fund's highway account. An estimated \$830 million would then flow into the Highway Account.

Cracking down on fuel tax evasion could generate another \$845 million in highway revenues.

#### Prompt Action Needed

Analysts note that Congressional action on the Highway Trust Fund shortfall cannot be postponed, if the provisions of the Baucus–Grassley plan are to have sufficient time to produce the revenue needed.

The Congress is under some pressure to act on the Federal Aviation Administration reauthorization bill, because the last short-term extension will expire on February 29. Unless some action is taken, the FAA will no longer be able to collect federal aviation taxes or distribute funds. Notices of possible layoffs have already been distributed to some 4,000 FAA employees who would be affected if the federal programs were shut down.

### **Senators Press Transportation Community for Future Vision**

Senators on the Environment and Public Works Committee this week turned to the transportation community to support legislation they plan to introduce based on the recommendations of the National Surface Transportation Policy and Revenue Study Commission.

During a hearing on the report of the National Surface Transportation Policy and Revenue Study Commission, Committee Chair Senator Barbara Boxer (D-CA) and Senator George Voinovich (R-OH) both asked the transportation community for support as they develop legislation aimed at transforming the current federal program.

“We need your help,” Voinovich said. “The way you get things done down here is to say this [transportation infrastructure] is important for this country.”

Boxer acknowledged that transportation is of critical value to the nation. She said advancing the country's economy and quality of life cannot be done “without an infrastructure that meets the needs.”

As part of a panel of transportation interests, Kansas Transportation Secretary Deb Miller testified on behalf of AASHTO. The committee heard from a majority of the National Commission last Wednesday when it presented the report, *Transportation for Tomorrow*.

“We believe this report will prove to be historic because of the properties identified, the national focus called for, the reforms recommended and the impact it will have on future transportation policies,” said Miller. “We are pleased to see that much of our input has been reflected in the commission's report and that the majority of the commission's recommendations are consistent with the policy positions of AASHTO.”

Miller said AASHTO supports recommendations to:

- reform the federal transportation program;
- add significant investment;
- maintain a strong federal role with funding responsibility shared by state and local governments;
- increase federal revenues through fuel taxes and other means, moving to alternative revenue sources in 20 years;
- give states and local governments opportunities to raise revenues through tolls and public-private ventures;
- systematic planning and investments where they are most needed;
- performance-based funding;
- accountability for results; and
- providing multi-modal approaches for national priorities addressing preservation, freight capacity, metropolitan congestion, safety, connecting rural America, intercity passenger rail, environment, energy, federal land and research.

Also testifying were Janet Kavinoky, director, Transportation Infrastructure for the U.S. Chamber of Commerce; Gregory Cohen, president and chief executive of the American Highway Users Alliance; and JayEtta Hecker, director, Physical Infrastructure for the U.S. Government Accountability Office.

Kavinoky, who is also the executive director of the Americans for Transportation Mobility Coalition, reminded senators the NSTPRSC report says, “The time is now,” adding, “There can be no more delay.” The chamber and the coalition applauded the commission’s recommendations that included a national freight movement policy and increased transit and intercity rail use.

She said the nation’s business community depends on an efficient, multi-modal, transportation infrastructure to remain competitive in the global economy.

Cohen said AHUA also agrees there needs to be fundamental reform of the current federal surface transportation programs. He said the group agrees that public-private partnerships and tolling should only be used on new capacity.

The GAO is analyzing the commission’s recommendations and agrees with a reform of the federal government’s role in transportation. Hecker said transportation is “truly at a critical juncture” and there are “severe problems with the program.”

She said the program lacks goals, has an uncertain funding stream and declining efficiency. She cited GAO’s report which read, “...although the commission identifies areas of national interest and recommends reorganizing the individual surface transportation programs around these areas, it generally recommends that the federal government pay 80 percent of project costs without considering whether this level of funding reflects the national interest or should vary by program or project.”

GAO's recommendations include: defining the federal role based on identified areas of national interest; incorporating performance and accountability for results into funding decisions; and ensuring fiscal sustainability and employing the best tools and approaches to improve results for return on investment.

Voinovich asked if states would raise fuel taxes to support increased investment. Miller said that varies depending upon the state. Kansas, she said, uses only 20 percent of federal funds for its transportation program. Miller added that states may increase their fuel taxes following growth in the federal program. "We have to think of it [fuel taxes] as investments rather than taxes," she said. Increased investment, she said, could lead to economic growth.

Panel members expressed some concerns over the commission's recommendations to establish a National Surface Transportation Revenue Advisory Commission to oversee development of national performance standards and to make recommendations to Congress on fuel tax increases.

They also believed expanding intercity passenger rail may not be practical unless there is agreement with freight rail firms over track usage, or adding dedicated passenger tracks.

#### Peters Outlines Alternative Recommendations

U.S. Transportation Secretary Mary Peters, chair of the National Surface Transportation Policy and Revenue Study Commission, told the Senate Environment and Public Works Committee that continuing to rely on federal fuel taxes to enhance investment in the nation's transportation system is shortsighted. Secretary Peters and two other members of the 12-member panel did not support the commission majority's final recommendations. They instead offered a separate set of recommendations, which supported maintaining current federal funding, reallocating resources and encouraging states to toll and privatize roadways to make up funding shortfalls.

Peters said there needs to be fundamental reform of the nation's transportation policy to make use of private investments and tolling, allocate resources more efficiently and give greater responsibility to states and local governments to run their own systems. "It's clear that we are just limping across the finish line when it comes to funding," Peters said.

Peters said that she agreed there is a need for investment, "but a different kind of investment." She said that under the current federal program 60 percent of funding goes to highways, 20 percent to transit, and the other 20 percent goes to other categories. "We have 20 percent to play with," she said. "If we prioritize, use pricing, we wouldn't have to spend so much," she said.

Her comments were in contrast to the recommendations of the NSTPRSC, which also recommended a reform of the federal program, as well as increases in the federal fuel tax by as much as 40 cents in five years to fund the \$225 billion needed annually to keep up the system.

"How do we come up with \$225 billion a year?" asked Boxer. "By simply allocating our resources more efficiently and encouraging states to impose fees such as tolls and congestion pricing? It's just not going to happen."

Boxer said the federal government funds surface transportation with \$40 billion a year, which equals four months of war expenses in Iraq and Afghanistan. “We seem to have an open checkbook for other countries at this point but not for taxpayers,” Boxer said. She added that she was “tremendously disappointed” with Peters’ testimony.

Voinovich said that when SAFETEA-LU was passed, the money was inadequate to maintain and improve the nation’s transportation system. “We have to let the American people know we are in deep trouble regarding our nation’s infrastructure,” he said. He added that Ohio’s transportation department is facing a \$3.4 billion shortfall.

Voinovich told Peters “You have a responsibility to speak up louder about what the needs are,” he said. “You have a wonderful opportunity to tell it like it is. You have been a state and national leader. The American people need someone to tell it like it is. Someone has got to level with the American people.”

### **Surface Transportation Infrastructure Financing Commission Releases Interim Report**

The National Surface Transportation Infrastructure Financing Commission released its interim report last week, saying the nation’s surface transportation system is in a “physical and financial crisis” because current revenue are insufficient to maintain and improve this country’s highways, public transportation systems and intermodal connectors.

The Financing Commission interim report makes several preliminary observations:

- Transportation system demands are outpacing required investment;
- Maintenance costs are competing with necessary expansion of the system;
- The fuel tax, which has been the key federal funding source for the system, is no longer sufficient at current rates;
- More direct user charges should be explored; and
- Not only is more investment needed in the system, but more intelligent investment complemented by better operation of the system.

The report, titled *The Path Forward: Funding and Financing our Surface Transportation System*, says the country’s transportation system requires a significant infusion to keep up with economic and population growth.

The National Surface Transportation and Policy Revenue Study Commission released its final report, *Transportation for Tomorrow*, on January 15. It and the Finance Commission were created by Congress in SAFETEA-LU. The Finance Commission’s interim report will be followed by a final version by the end of year.

The Financing Commission’s task is to recommend to the federal government how it should fund its transportation programs in the coming decades. The interim report lays out how the Financing Commission perceives the current problems with transportation funding, and how it will analyze options and reach recommendations.

The Financing Commission's report finds that relying principally on the federal fuel tax "may not be a sustainable strategy in the long run" because as fuel economy continues to rise, "the fuel taxes that are the backbone of the federal transportation revenues will continue to shrink relative to use and needs of the system."

The Financing Commission's report also states that inadequate fuel tax revenues and the high maintenance costs of our aging transportation system are forcing state and local governments to postpone needed capacity enhancements. The report says that "if we are to remain competitive in a global economy, we must thoroughly reassess the current approach to funding surface transportation infrastructure." The Financing Commission will examine a broad array of existing and potential funding mechanisms, including direct user charges and other financing options that may augment current revenues and encourage more efficient use of system capacity.

The Financing Commission is encouraging comment on the report, which is available at its website, <http://financecommission.dot.gov>.

### **Congress Expands Economic Stimulus to Aid Seniors and Disabled Veterans**

Only two weeks after President Bush called for passage of a stimulus package to boost the nation's flagging economy, the Congress passed a \$168 billion bill including rebates for taxpayers, senior citizens and disabled veterans, and tax benefits for business. The President indicates he will sign the bill.

Although both Democrats and Republicans cited the bipartisan cooperation that enabled swift action on the bill, the road to enactment was not smooth.

The Senate Finance Committee put together a larger bill than that agreed to by the House and the Administration, but then fell one vote short of cutting off a filibuster led by Senate Republicans. The Senate on Thursday then approved by a vote of 81 to 16 the House and Administration's proposal, modified to include benefits for as many as 21 million seniors and 250,000 disabled veterans, at a cost of an extra \$7 billion. The House then approved the bill Thursday night by a vote of 380 to 34.

Under the plan hammered out in negotiations between House leaders and the Administration, rebates of between \$600 and \$1,200 would be sent to taxpayers with maximum incomes of \$75,000 for singles and \$150,000 for couples. Seniors and veterans living on fixed incomes will get \$300 rebate checks. Illegal immigrants will not be eligible for rebates.

In accepting the House plan, the Senate backed off plans for extended unemployment compensation, the extension of tax breaks for alternative energy producers, tax-exempt mortgage revenue bonds and other business tax breaks. Senate Republicans failed to rally behind the provisions, arguing that the Senate should not load up the bill with measures that would require a lengthy conference with the House.

Senator Ron Wyden, (D-OR) had led efforts in the Finance Committee to add highway funding to the bill, which he maintained would not only infuse money into the economy through job creation, but would also have lasting benefits for the economy through infrastructure improvements. In an AASHTO survey state departments of transportation identified more than \$18 billion “ready-to-go” projects that could have been awarded and underway within 90 days of enactment.

### **EPA Releases Scaled Back FY 2009 Budget**

U.S. Environmental Protection Agency Administrator Stephen Johnson released the Administration’s \$7.14 billion Fiscal Year 2009 budget Monday that is down from \$7.5 billion for this year and includes programs aimed at climate change, clean water, land use, ecosystems protection, compliance and environmental stewardship.

Specifically, the EPA budget is divided into five disciplines: Clean Air and Global Climate Change; Clean and Safe Water; Land Preservation and Restoration; Healthy Communities and Ecosystems; and Compliance and Environmental Stewardship.

The EPA budget contains a \$49.2 million program for clean diesel grants, \$15 million of which will be spent on a sustainable ports initiative so they and surrounding infrastructure are built with energy efficiencies. The entire FY 2009 budget request for all climate change programs totals \$98.3 million. This does not include funds for a greenhouse gas registry proposed in 2007 by Senator Amy Klobuchar (D-MN).

Funds for underground petroleum tank cleanup would be cut \$34 million, dropping from \$106 million this year, to \$72 million in FY 2009. There is \$16.3 million for the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act to prepare and submit Environmental Impact Statements (EISs).

There is \$98 million for reducing greenhouse gas emissions through partnerships. A number of the budget proposals could result in guidance and research to assist state transportation agencies in delivering transportation projects. State agencies submitted their eight-hour ozone state implementation plans (SIPs) to EPA in FY 2007. The FY 2009 budget will permit EPA to continue their partnership with air pollution control agencies to develop or implement their SIPs as well as the fine particle (PM-2.5) standard and regional hazard.

In FY 2009, EPA anticipates issuing and managing various categories of Diesel Emission Reduction grants. These grants establish three funding categories, 70 percent of which will establish the competitive National Clean Diesel Campaign (NCDC) grants to fund and/or finance retrofits, rebuilds, replacements and fuel switching and efficiency measures associated with diesel equipment. Approximately 10 percent will focus on advancing emerging diesel reduction technology. The remaining budget will assist states and local governments, as well as others in creating innovative Air Quality Finance Authorities/Programs (AQFAs) that provide loans for the purchase of new and cleaner used equipment.

Another program of interest to transportation officials is the Water Pollution Control grant which aims to improve water quality standards through the National Pollution Discharge Elimination System (NPDES) permitting process. The FY 2009 budget requests \$221.7 million for these activities.

For more information regarding EPA's proposed FY 2009 budget visit <http://www.epa.gov/ocfo/budget/2009/2009bib.pdf>.

## **Missouri Faces Coming Funding Crisis**

Missouri Department of Transportation Director Pete Rahn on Wednesday outlined for the state legislature dramatic improvements in safety, pavement quality, and on-time, on-budget project delivery. But he also warned that in 2010, "the bottom drops out of Missouri's transportation funding," adding that the state faces an \$18 billion gap in meeting future transportation needs.

Five years ago, the state legislature mandated an annual State of Transportation report from the department, as a means of increasing accountability. Rahn said on Wednesday that MoDOT has earned the trust of Missourians by demonstrating credibility in:

- Leading the nation in dramatically reducing highway fatalities;
- Delivering 2,200 miles of smoother, safer roads a full year ahead of schedule, with an additional 5,600 miles to be improved by 2012;
- Raising the percentage of major roads in good condition from 44 percent to 78 percent in five years;
- Preparing to fix the state's 800 worst bridges in the next five years; and
- Saving \$90 million in 2007 by bringing projects in under budget.

But Rahn painted a bleak forecast of the state's transportation program in only two years. Due to several factors—revenue from Amendment No. 3 bonds drying up, future federal funding that's projected to drop by 40 percent, and the dramatically increasing costs of building and maintaining highways—"the bottom drops out of Missouri's transportation funding."

Rahn said, "We go from a \$1.2 billion construction program in 2005 to a \$569 million one. From the largest highway-building program in Missouri history to one where we will struggle to maintain roads." He said the answer is more funding. "But, why should you trust us with more money?" he asked. "Because we have come a long way in just five years and we have shown you the results."

Rahn's full speech can be viewed on the state's web page at <http://www.modot.org>.

## **Gridlock, Congestion Get Attention from Georgia State Legislature**

A 1 cent regional sales tax hike to provide revenue for transportation projects is one of the recommendations made by a special Joint Study Committee on Transportation Funding in the Georgia legislature.

The proposal, which would require a constitutional amendment and a referendum, would grant authority to metropolitan areas including Atlanta to impose a local sales tax for transportation. Some state legislators appreciate the need for more transportation funding and appear to be backing the measure.

The process of passing new legislation can take up to 18 months, the *Atlanta Journal-Constitution* reports. State leaders intend to push the process along as swiftly as possible. At a news conference to announce the initiative, Senate Majority Leader Tommie Williams (R-Lyons) said, "We're not far apart on the funding. We're going to get a funding bill out this session."

Over the next few weeks, legislators will introduce a list of committee recommendations that includes tax proposals. Supporters of transportation funding tried to pass a tax bill last year but were bogged down. The Joint Study Committee on Transportation Funding was created to deal with these proposals and spent last year listening to the suggestions of transportation experts.

### Facing Opposition

The funding proposals have already been met with resistance from Georgia Gov. Sonny Perdue (R). On January 30, the governor sent a letter to chairmen of the House and Senate transportation committees expressing his views. The governor thanked the committees for their work, but expressed concern about delays that have occurred in the delivery of projects under his Fast Forward program, designed to speed congestion relief and encourage economic growth.

Perdue said, "Over the course of the six-year program, we anticipated completing what would normally take 18 years to accomplish. However, in a recent review of Fast Forward by the Department of Transportation's new Commissioner, Gena Abraham, we have found that only 20 percent of the projects are complete even though more than 60 percent of time has elapsed."

The governor has said he cannot support a tax increase at this time, *Atlanta Journal-Constitution* reports. A sales tax increase would benefit wealthy parts of the state, such as Atlanta, while overlooking other areas, the governor said. He has pledged to work with the committee to develop a solution to the state's transportation woes.

## **Nebraska's Expressway System Remains Unfinished Due to Transportation Spending Cuts**

The 600-mile Nebraska Expressway System is unfinished after two decades of work and \$1.2 billion spent on the project.

The four lane expressway would link cities of 15,000 or more to Interstate 80, the *Omaha World-Herald* reports. Because of inadequate funding, 179 miles of the expressway have not been built. According to Roads Department officials, the Nebraska Expressway System is a bellwether of what's to come for Nebraska's highway construction projects.

According to John Craig, Director of the Nebraska Roads Department, the expressway is nearly two thirds completed. However, construction on the project has halted and will not resume until 2014. It will cost up to \$1.3 billion dollars to complete. Had the project stayed on track, it would have been completed by 2005. The expressway plan was first introduced to the legislature in 1988 and was intended to link small communities to the interstate.

However, according to the department, the project has been delayed by lack of funding and skyrocketing materials costs.

At present, six separate bills have been introduced to see the project through to completion, the *Omaha World-Herald* reports. Lawmakers from rural areas are especially concerned with bringing the expressway, and economic sustenance, to their towns. According to West Point Mayor Marlene Johnson, a wider highway makes an economic difference in small communities.

#### Supporting Road Improvements

Nebraska's transportation funding shortage has gained statewide attention, the *Lincoln Journal Star* reports. In the past, business leaders have opposed gas tax hikes, but in a panel before the Legislature's Revenue Committee, local leaders endorsed a gas tax increase. The additional revenue would fund road improvement programs.

A panel of business leaders is supporting L.B. 846, a bill that would increase the state's gas tax by 3 cents a gallon in 2009. The panel had Nebraska's economic interests at heart when it decided to back the bill; road conditions are a determining factor when a company is decides to relocate they said. Cities with congestion and poor road conditions lose out to cities with better infrastructure.

Nebraska cannot keep up with rising construction costs and must find new ways to finance road improvement projects, the *Lincoln Journal Star reports*. The cost of road building materials rose 11 percent last year.

### **2008 AASHTO National Transportation Management Conferences Planned**

AASHTO holds a series of National Transportation Management Conferences this summer and fall that are tailored to new mid-level department of transportation managers who are transitioning from a more technical job.

The conferences are being conducted for AASHTO by CMC and Associates. Conference sizes are limited to 36 participants. Each AASHTO member department and associate member agency may nominate up to six staff members for a session, but no more than 12 over a year. Nominations are due before February 29, 2008. Tuition is \$1,495 per participant, and includes course materials, five continental breakfasts, three lunches and a reception, but does not include living expenses or travel.

The dates and location for the five, week-long courses, are: June 22-27 in Orlando, Florida; July 20-25 in Keystone, Colorado; August 17-22 in San Antonio, Texas; September 14-19 in Spokane, Washington; and October 26-31 in Mystic, Connecticut.

A copy of the brochure with more information on the conferences and a nomination form is available by visiting [http://downloads.transportation.org/2008NTMC\\_Brochure.pdf](http://downloads.transportation.org/2008NTMC_Brochure.pdf).

## **2008 AASHTO Awards Competition Criteria and Nomination Forms Available**

Competition criteria and nomination forms are available for 2008 AASHTO award competitions, which recognize state department of transportation personnel who are achieving great things in the transportation field.

Information is available on the following awards:

- Alfred E. Johnson Achievement Award;
- Thomas H. MacDonald Memorial Award;
- President's Transportation Awards; and
- 25-Year Award of Meritorious Service.

Information for the Memorial List and the Employees Killed in the Line of Duty List is included with the 25-Year Award of Meritorious Service.

The awards will be presented at the 2008 AASHTO Annual Meeting, October 16-20 in Hartford, Connecticut. Those selected will be invited to attend the meeting to accept their award, and AASHTO will cover the registration fee and the hotel room.

Visit <http://cms.transportation.org/?siteid=37&pageid=1981>.

Direct questions to Donna Tamburelli of the AASHTO staff by phoning (202) 624-5815, or e-mail [donnat@ashto.org](mailto:donnat@ashto.org).

## **AASHTO National Transportation Leadership Institute at Indiana University April 6-19, 2008**

State transportation departments have only three weeks remaining to apply to attend AASHTO's National Transportation Leadership Institute to be held at Indiana University, April 6-19.

For more than 30 years AASHTO has provided graduate-level management training designed to supplement engineering expertise with leadership and management techniques oriented to highway and transportation department operations.

Dr. Thomas A. DeCoster, former Director of the Executive Education Program at Indiana University's School of Public and Environmental Affairs, has achieved national recognition as one of the premiere experts in this field. Plunged into a fast-moving, interesting and challenging environment, participants engage in group discussions, problem-solving and other techniques designed to enhance management skills.

Fundamental management concepts, principles and practices will be tailored to the unique challenges of transportation agencies, and participants will explore the application of advanced techniques in managing departments.

Topics include:

- Organizational conflict and change;
- Organizational structure and size;
- Effective communications strategies; and
- Implementing a “quality culture.”

Tuition and materials is \$2,535, not including living expenses or travel. Enrollment is limited to approximately 40 people.

Applications for enrollment may be obtained from Donna Tamburelli, [donnat@aaashto.org](mailto:donnat@aaashto.org) or Barbara Fisher, [bfisher@iuipei.edu](mailto:bfisher@iuipei.edu), and must be submitted by February 29. A copy of the application is also available at the following link: [http://downloads.transportation.org/2008Leadership\\_AppPacket.pdf](http://downloads.transportation.org/2008Leadership_AppPacket.pdf).

### **AASHTO Seeks Materials Reference Laboratory Manager**

AASHTO seeks an AMRL/CCRL manager responsible for the management of the AASHTO Materials Reference Laboratory (AMRL) and the Cement and Concrete Reference Laboratory (CCRL). Please send cover letter and resume by Feb. 20.

Responsibilities include following National Institutes of Standards and Technology policy as it applies to research associates; coordinating AMRL’s and CCRL’s activities with the chief, BFRL Materials and Construction Research Division; operating the AMRL and CCRL in accordance with the NIST/AASHTO and NIST/ASTM CRADA agreements; coordinating AMRL’s technical support to the AASHTO Accreditation Program (AAP); managing AMRL’s research program; preparing the annual AMRL and CCRL budgets; and ensuring that AMRL and CCRL operate within budgets.

A bachelor’s degree in science or engineering, or equivalent experience, is required. Evidence of a higher degree of professional development, such as management, technical, or computer training, or professional engineering licensure is desirable.

Address applications to AASHTO, HR Mgr, 444 N. Capitol St., NW, Suite 249, Washington, D.C. 20001. Fax: (202) 624-8471. E-mail [cbeauvais@aaashto.org](mailto:cbeauvais@aaashto.org). EOE.

### **AASHTO Washington Briefing**

Online registration for the 2008 AASHTO Washington Briefing closes the end of Tuesday, Feb. 12.

To register, visit <http://www.transportation.org/meetings/154.aspx>.

The briefing takes place the L’Enfant Plaza Hotel in Washington, D.C, Feb. 26-28. The L’Enfant Plaza Hotel is at 480 L’Enfant Plaza, S.W., Washington, D.C. 20024. Phone the hotel at (202) 484-1000 ext. 5000 or toll free within the U.S. at (800) 635-5065 for reservations.