

FLORIDIANS FOR BETTER



TRANSPORTATION

Federal Update – June 2006

DOT Congestion Relief Strategy Emphasizes Congestion Management – Privatization- Downplays Capacity Expansion

Transportation Secretary Norman Y. Mineta in May released the U.S. Department of Transportation's "National Strategy to Reduce Congestion on America's Transportation Network."

The report states that congestion is the single largest threat to US economic security and to the quality of life for millions of Americans. Included in the report are statistics on the current cost of congestion due to wasted time and fuel to both businesses and families. Projections are made about the future increases in congestion beyond the major urban areas to suburban and rural areas. The report concludes that, "highway congestion is caused by the lack of a mechanism to efficiently manage use of existing capacity." The DOT proposes a six-point plan to reduce congestion in both the short term and the long term as follows:

Urban Partnership Agreements- The initiative will seek to implement congestion pricing and variable toll demonstrations with selected cities. These partnerships will also aim to expand express bus service, encourage telecommuting and expedite completion of the most significant highway capacity projects "currently underway."

Private Sector Investment- DOT will work to reduce or remove barriers to private sector investment in the construction, ownership, and operation of transportation infrastructure by encouraging states to enact enabling public-private partnership legislation.

Operational and Technological Improvements- Encourage states to utilize the Federal-aid formula funds operational improvement including better real-time traffic information, more use of Intelligent Transportation System technology and better incident management.

Corridors of the Future- Select 3-5 major multi-state growth corridors and encourage alternative financing to advance project development.

Target Freight Bottlenecks- Create a DOT "Intermodal Hot Spot Team" to work with the shipping community to identify necessary freight movement bottlenecks.

Accelerate Major Aviation Capacity Projects- DOT will work to design and deploy a modernized aviation system with greater capacity and less congestion.

View the entire report at: (<http://www.dot.gov/affairs/dot5706.htm>).

Highway Future Commission Meets

The "National Surface Transportation Policy and Revenue Study Commission" held its first meeting on May 24th. Established in the SAFETEA-LU legislation, the Commission is charged with making

recommendations concerning the future of the federal-aid highway program. The meeting focused primarily on organizational issues including discussion of a plan of action for addressing the issues before the Commission. Each commissioner made an opening statement presenting their point of view about what issues the Commission should address. Most focused on identifying the future purpose of the federal-aid highway program and identifying the means for funding future identified needs. Transportation Secretary Norman Mineta, the commission chair, presided over the meeting. He pointed out the dire condition of the Highway Trust Fund which will begin to run a deficit as early as 2009 and discussed the need to identify creative ways to fund future investments.

Secretary Mineta has appointed Quintin Kendall, DOT Assistant Secretary for Management and Budget to serve as the Commission's Executive Director. SAFETEA-LU requires that the commission issue a final report by July 1, 2007. Many believe that the commission's report will become the basis for drafting the next highway reauthorization bill. The next meeting was not scheduled.

House Approves 2007 Transportation Funding

On June 14th, the U.S. House of Representatives approved fiscal year 2007 funding for the U.S. Department of Transportation after boosting funding for Amtrak and defeating amendments that would have stripped several earmarks from the bill.

Highway funding is set at \$39.1 billion, a 9.7 percent increase over FY 2006 funding, which fully funds the \$38.244 level established in SAFETEA-LU and includes an additional \$842 million in revenue aligned budget authority (RABA) spending. RABA is the mechanism established in TEA-21, and reauthorized in SAFETEA-LU, that requires a look back and adjustment to ensure that each year's funding matches actual Highway Trust Fund revenue.

The bill provides an obligation limitation for the Federal Aviation Administration's Airport Improvement Program of \$3.7 billion, a five percent increase over FY 2006, the full amount authorized.

The Federal Transit Administration would receive \$8.875 billion in FY 2007, \$370 million more than in FY 2006, a 4.4 percent increase.

In addition, the House approved an amendment to increase Amtrak funding by \$214 million for a total of \$1.1 billion, about \$200 million less than in FY 2006, a 15 percent decrease.

The House Appropriations Committee previously approved an amendment to prohibit any of the funds in the bill from being used for two controversial bridge projects in Alaska. Funds for these two projects were earmarked in the SAFETEA-LU reauthorization law passed last year. It is unlikely that this prohibition will be included in the final bill.

The Senate has yet to begin consideration of its FY 2007 Transportation funding bill.

FBT – Your "Voice" for Transportation!

Douglas J. Callaway, President – FBT
dcallaway@flchamber.com
136 S. Bronough Street, Tallahassee,
Florida 32301 - (850) 521-1256
www.bettertransportation.org