

# Investing in a 21<sup>st</sup> Century Transportation System

(THEMES FOR NEXT TRANSPORTATION AUTHORIZATION)

**SAFETEA-LU does not meet the needs and demands of transportation. We need to change the way we do business.**

## Fund a 21<sup>st</sup> Century Transportation System

### ❖ Funding Levels

- Because the gas tax is reaching the end of its effectiveness in funding transportation nationwide, Congress should explore short range, intermediate term and long term financing solutions.
- As our nation's infrastructure ages, funding at all levels of government needs to increase for transportation. Congress should fund preservation and maintenance of the current system as a priority to help maintain our existing transportation infrastructure (federal, state, and local).
  - Nationally, transportation funding does not fund preservation and maintenance of the current system as a priority (based on performance goals); for Colorado, the Transportation Finance and Implementation Panel (Transportation Implementation and Finance Panel) identified that CDOT would need an additional \$500 million per year just to maintain our current transportation system.
  - The next federal authorization bill should provide a clear directive to states that the preservation and maintenance of the existing federal transportation system is a top funding priority.
- Colorado is facing a significant short fall in funding for transportation. The Transportation Finance and Implementation Panel recommended an additional \$1.5 billion annually. The 2035 Statewide Transportation Plan (federally mandated planning document – 20 year plan) identified a total transportation need in Colorado of an additional \$3.5 billion annually to build all the identified transportation improvements in Colorado.
- Transit is a growing part of the transportation system all across America, including in Colorado. Congress should increase

funding for transit by increasing overall federal transportation funding, rather than shifting funding from existing programs.

- Congress should authorize a full 6 year bill from the date of enactment.
- Funding mechanisms should allow for Colorado to determine its transportation priorities.
- Congress should actually provide the funding to the States that it promises. SAFETEA-LU over allocated funds and forced year after year of less than 100% obligation authority (restriction place by Congress and FHWA on the percentage of funds that states can actually spend) and even worse was forced to do major rescissions (cutting provisions of federal dollars that actually takes back money the states have on their books) each appropriation year of the authorization bill.
- Congress needs to provide stability in the year to year funding in the next authorization bill. Because SAFETEA-LU spent the federal highway trust fund to zero (actually over spent it) states are now subject to year to year instability for funding (funding levels will be subject to collections perhaps on a month to month basis).

#### ❖ Funding Sources

- **Short Term Funding**
  - Increase Gas Tax.
    - Indexing Gas Tax to keep pace with inflation (Construction Cost Index).
  - Expand Federal Tolling Authority
    - Combine and make permanent federal tolling programs to allow states to make local funding decisions on both federal and state highways.
  - Eliminate Exemptions for motor fuel taxes.
- **Short Term and Intermediate Funding**
  - Public Private Partnerships (PPPs).
    - Tax Credit Bonds to help provide incentives for private investment.
  - Expand Penta P Program (FTA).
  - Create National and Regional VMT Pilot Program.
    - Program should be flexible to test the system (both rural and urban).

- Program needs to recognize the difference between rural areas (where people do not have a choice to drive long distances for things) and urban areas (where people do have a choice).
  - Program should explore dynamic pricing to help reduce congestion issues in small, medium and large metropolitan areas.
  - Freight Container Fee for transportation (custom taxes and container fees for infrastructure related for freight related transportation issues).
    - The United States will not be globally competitive without improving mobility and connecting destinations (both highway and rail) throughout the US to efficiently and effectively move freight away from the coasts and into the central part of the country.
  - National Infrastructure Bank.
    - Create with general fund money which could be repaid to the treasury over time (would not take away funding for transportation in the short or intermediate term).
    - Very low interest rate bonds in which States and private capital could access large amounts of upfront money for projects (could add incentive for more private capital into projects or at the minimum cost sharing with private industry).
- **Long Term Funding Solutions.**
    - Congress should authorize and fund national pilot programs to explore and evaluate a national vehicle miles traveled (VMT) program as a possible intermediate and long range funding solution.
    - Congress should explore a possible national sales tax
- Other Transportation Financing Options
    - Carbon Tax (transportation needs to be included)
      - Is this funding stream stable?
      - More important to change behavior?
      - Would add dollars for alternative forms of transportation (transit, bike and ped, etc).

- How does the long term funding stream affect those that become dependent upon it?
- Land Use: should some of the funds be directed to planning and land use planning for transportation. (Keep???)
- Federal funding formulas should recognize that rapidly growing states face a need for additional multimodal capacity funding

## Change the Way We Do Business

- Federal DOT Restructuring
  - Colorado believes Congress should consolidate the nearly 110 current federal programs into 10 broad programs, as the National Blue Ribbon Panel suggested.
  - Congress should work with States and stakeholders when drafting the next authorization bill that develops a 21st Century Transportation System / Federal Facilitation and Leadership (When national goal are created we would like a place at the table)
  - Federal Role should help promote best practices from around the nation.
- Colorado supports a new energy economy, which includes increasing fuel efficiency, reducing America's consumption of foreign oil, increasing the use of alternative fuels, and increasing non-motorized trips.
  - Colorado supports the Transportation Finance and Implementation Panel language for the vision of our transportation system. (Section 7- Panel Report- "The Panel's vision")
    - *"The Panel envisions a transportation system for Colorado that is safe, efficiently meets the needs of the traveling public and is supported by a reliable, inflation-proof revenue stream. The transportation network of the future will sustain a robust economy, a cleaner environment and thriving communities."*
  - While the goal of SAFETEA-LU was to help streamline the environmental review process, the opposite has happened; Congress should create a new framework to make real changes to the environmental review process

in order to minimize the delay in construction. Congress should help streamline the environmental review process by looking to innovative processes such as Context Sensitive Solutions (CSS).

- Oil and Consumption
  - While America is transitioning into a new energy economy, Congress should provide necessary sustainable levels of investment for all modes of transportation including highways.
  - Colorado supports a new energy economy which includes increasing fuel efficiency, reducing America's consumption of foreign oil, increasing the use of alternative fuels, and increasing non-motorized trips.
- Green House Gas Emissions (GHG)
  - Congress should address transportation's contribution to climate change, for example, by providing incentives to create strategies to reduce green house gas emissions.
  - Reducing carbon based emissions including mass-transit options, measures aimed at congestion relief and the use of more efficient vehicles.
- Improving Mobility and Connecting Destinations
  - Colorado supports the development of a multi-modal transportation system that allows user choice – including public transportation, driving, bicycling, walking and telecommuting for both urban and rural areas - and has parity in the evaluation process.
  - Congress should allow States to develop transportation policies and implement seamless multimodal and travel demand strategies that best achieve transportation goals whether through traditional methods or innovative solutions like public transportation, Non-motorized transportation, bicycling, walking, telecommuting or Intelligent Transportation Systems (ITS). These multimodal solutions need to have parity and equality in the evaluation process.
  - Congress must establish a long-range vision of surface transportation that considers all modes for moving people and goods, as well as the providers and customers of the transportation system.

- The current transportation system was not designed to meet the demands of today's society. Mobility (or lack there of) affects both urban and rural areas. This lack of mobility affects every aspect of our lives. In particular as the American economy and businesses have shifted to on-demand goods and services America's transportation system has been stretched to the breaking point by congestion.
  - Colorado recommends all 'surface' transportation authorizations should be authorized together in one bill for a 'One DOT'. Currently, all modes of surface transportation are not authorized together so that efficiencies can be identified and alternative modes incorporated in vital transportation projects; an example of this is the emergence of passenger rail service as a vital alternative in connecting destinations across the county. However, rail is authorized through the Federal Rail Administration (FRA) with its one authorization bill whose primary mission is freight not people.
- Colorado supports the One DOT Concept
  - *ONE DOT is a management strategy that builds on the strength of mutual collaboration between the various agencies and functional "communities of interest" when those cross-cutting efforts reduce duplication and save resources. Collaboration enables modes to solve common problems and serve customers more effectively, thereby achieving the vision, mission, and goals specified in DOT's Strategic Plan.*
  - *Collaboration at all levels and an integrated approach, when necessary and applicable, will enable employees to solve problems by sharing ideas and resources. By increasing communication and cooperation across modes, DOT agencies can realize the promise of intermodalism and meet the transportation needs of an increasingly mobile population in an evermore global economy. This integrated approach to a changing world and a changing industry is the foundation of the ONE DOT management strategy.*

## Set Goals to Help Achieve Our Vision

- National Goals
  - SAFETEA-LU lacked a national direction in both funding and programs for transportation, the next

Authorization should direct that national goals be set for transportation, and involve transportation partners at the federal, state, regional, and interest group levels, and provide adequate funding to achieve those goals.

- The creation of national goals should involve transportation partners at the federal, state, regional, and interest group levels.
  - Colorado supports a shift in the federal role for transportation from administrative oversight to providing visionary guidance for States.
  - Colorado has reservations in the creation of an independent BRAC type commission to oversee transportation (recommended by National Blue Ribbon Panel).
- Mandates vs. Incentives
    - Colorado supports incentives to achieve goals, such as national safety goals. Colorado does not support adoption of mandates, sanctions or restrictions to compel states to achieve national goals.
  - Technology and Innovation
    - Colorado supports a shift in the federal role for transportation from primarily administrative oversight into providing visionary guidance to assist States in implementing best practices and innovation.
    - Colorado supports the creation of national standards for emerging technologies such as advanced guide ways, and federal funding for technology transfers and emerging technologies.
    - How do we introduce new technology in a changing economy and global energy environment?
    - Congress should develop policies to promote new ideas and technologies into the transportation system. The system is no longer just engineers that manage roads, but a complex system of interrelated modes.

## Safety

- Consideration of safety improvements is critical to every transportation improvement without regard to mode.

- Travel on the nation's transportation system is far too dangerous and Congress should make safety a national priority in the next Authorization Bill.
- In 2006, over 42,000 people lost their lives on American highways, and another 275,000 were injured. Highway travel accounts for 94% of the fatalities and 99% of the injuries.
- In Colorado, improving and adding shoulders on rural highways is critical to improving safety.