



Federal Transportation Funding

Minnesota's Recommendations for the New Authorization Act



The Alliance Federal Transportation Effort

- Alliance Coalition of local governments, unions, contractors, consulting engineers, shippers, rail, transit groups, etc.
- Co-Chairs: Colleen Landkamer, Blue Earth County; Debra Brisk, Kimley-Horn
- Meeting information and materials: www.transportationalliance.com

Increased Investment Needed

- Surface Transportation Policy and Revenue Commission - \$225 billion from all levels of government annually
- GAO - \$140 billion more than currently invested
- Federal share has been about 40% -45%
- Federal share at 40% - \$90 billion
- AASHTO and APTA Recommendation: \$500B - \$375B highway, \$123B transit
- AASHTO - \$148 billion in railroad investments needed

AASHTO Bottom Line

- An annual investment of \$166 billion for highways and bridges between 2010 and 2015 is needed to improve the system.
- In 2006, highway investments from all levels of government totaled \$78.7 billion.
- Backlog for highways and bridges has climbed to \$430B
- Investment in public transit needs to increase by \$59 billion per year to double ridership
- In 2006, transit investments by all levels of government totaled \$13.3 billion.

AASHTO Bottom Line

- Over 41,000 people died on the nation's highways in 2007
- Freight volumes are expected to increase by 80% by 2035.
- 13 million people, about 10 percent of the nation's workforce, are employed in transportation jobs

Jobs, Jobs, Jobs

Minnesota Transportation Needs

- Enactment of Chapter 152 will make a significant difference
- Significant unmet needs remain
- We need to maintain and increase federal share to maximize state dollars
- MnDOT plans for future projects assume a \$530 million annual federal share from 2009-2018

Long-Range Plan Estimates

- MnDOT's 20-year plan estimates revenue gap for Construction Program at \$2.5B per year between 2009 and 2028
- Metropolitan Council plan estimates an additional \$40-60 million is needed in annual operating funds to expand the system by 2020.
- To maintain the current transit system, the Council estimates \$470 million in capital federal funds from 2008-2020 – over \$1B in federal funds to expand

Economic Stimulus

- \$502 million for highways; \$90 million for transit
- We need to communicate that it's great – it's also one-time money
- We need a “one-two punch” – stimulus and then long-term plan



MN SAFETEA-LU

Funding Obligation Authority

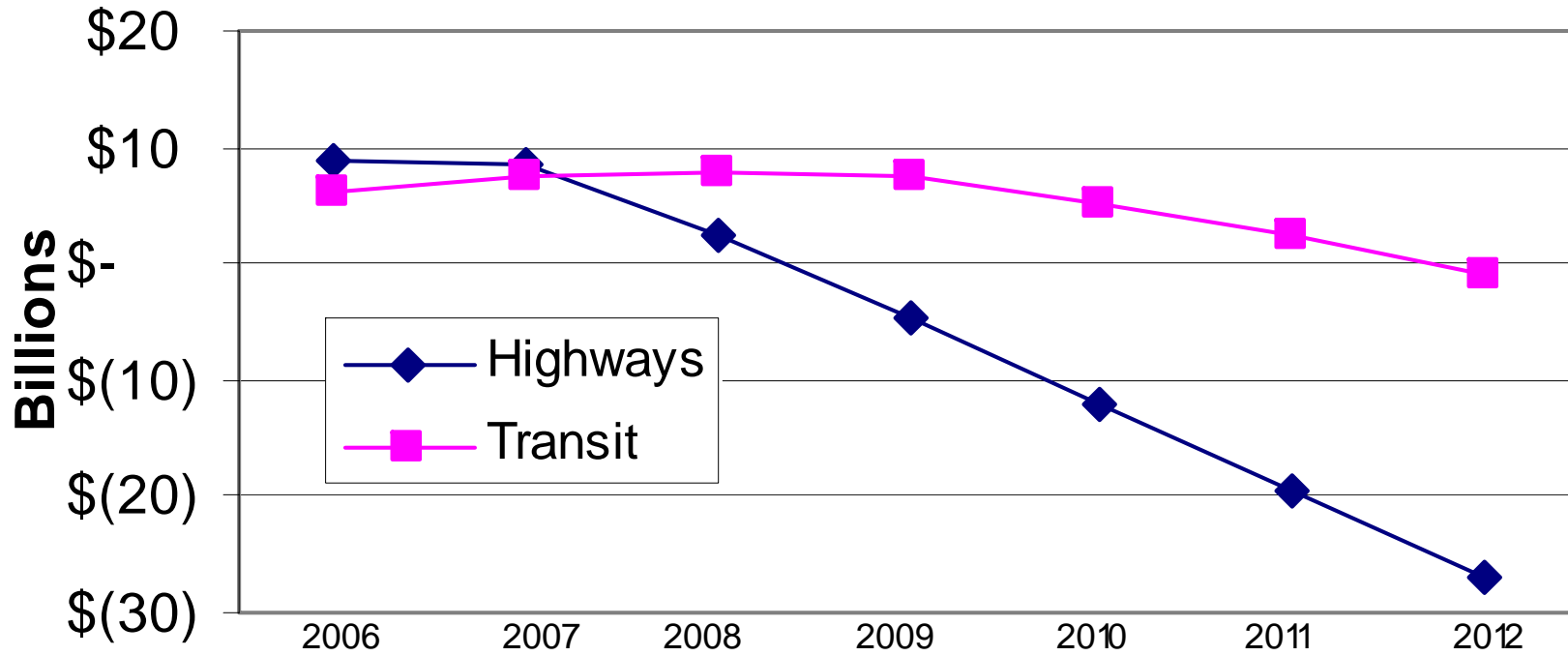
<u>Year</u>	<u>Hwy. Formula</u>	<u>Hwy. Earmarks</u>
2004	\$369	\$0
2005	\$367	\$53
2006	\$435	\$66
2007	\$496	\$68
2008	\$517	\$68
2009	\$521	\$66

Federal Transit Funding

- Federal funding is critical for major transitways – New Starts funding typically funds 50% of projects
- Urban, small urban and rural systems all rely on federal funds
- Under SAFETEA-LU, Minnesota received about \$557 million for transit



Federal Trust Fund Balances



Federal Highway Trust Fund

- Congress has worked to fix the hole – shifted \$8 billion back to Highway Trust Fund
- Without action, the Highway Trust Fund will only support half of this year's funding level in FY2010
- For Minnesota – Funding cut from \$523M to \$253.6M
- Long-term funding is needed as part of the new authorization bill

Funding Options

Recommendation of \$550B

- Fuel Tax
- Vehicle Taxes
- User Fees – ticket tax, freight charges
- Dedicate funding to transportation
- Financing Options
- Mileage Tax (VMT)



NEW Authorization

- Emphasis on focusing federal dollars
- Greater Accountability
- Use of performance measures
- Far-reaching reform to eliminate waste and delays
- New Era in Transportation

Program Changes

- National Commission recommended 10 programs:
 - Rebuilding America
 - Freight Transportation
 - Congestion Relief
 - Saving Lives
 - Connecting America
 - Intercity Passenger Rail
 - Environmental Stewardship
 - Energy Security
 - Federal Lands
 - Research, Development and Technology

Safety

- Continue to strengthen Toward Zero Deaths Initiative
- Provide more flexibility in federal funds including High Risk Rural Roads
- Improve the collection and sharing of data among states
- Invest in ITS and additional safety research

Reducing congestion/improving mobility

- More progress needed in removing bottlenecks
- Improve interregional connections
- Continue building a transit network in the metropolitan area
- Provide for mobility in Greater Minnesota
- Funding structure needs to recognize corridors extend beyond 7 counties

Improving Delivery of Projects

- Improve the environmental review process
- Improve coordination among federal agencies
- Provide more assistance to states and local governments
- Office of project acceleration

Improving Freight Delivery

- Highway improvements, railroad investments, port upgrades and better intermodal connections
- Additional funding from freight-related fees should be set aside for meeting freight needs

Inter-City Connections

- Increased emphasis on inter-city rail and bus service
- High Speed Rail can provide options and improve connections
- Midwest High Speed Rail, Northern Lights Express
- State match of 20% required

Major Issues

- FY2010 Budget
- New Authorization Legislation
- American Clean Energy and Security Act of 2009
- American Recovery and Reinvestment Act Spending
- High Speed Rail Plan



We Need a Strong, United Voice

- Congressman Oberstar will lead the effort on a new authorization bill
- We need the involvement of everyone
- Everyone speaking with one voice will make us all more effective

Other Issues/Questions

- Questions?
- Comments?
- Additions



- Contact Us:

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