

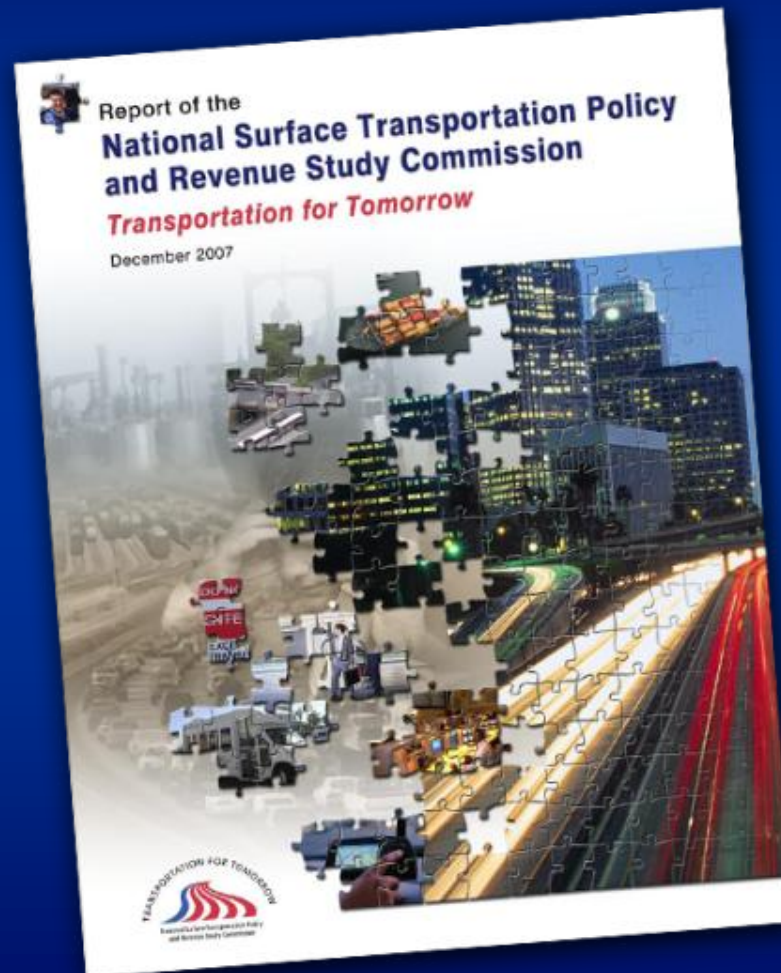
Two Major Commissions, No Major Law



Steve Heminger
Executive Director
Metropolitan Transportation Commission

February 2011

Policy Commission — December 2007



METROPOLITAN
TRANSPORTATION
COMMISSION

Major Recommendations:

The 3 R's



1. Reform



**The federal surface
transportation program
should not be reauthorized
in its current form.
Instead, we should make
a new beginning.**



**The federal program should
be performance-driven,
outcome-based, generally
mode-neutral, and refocused
to pursue objectives of
genuine national interest.**



2. Restructuring



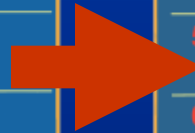
History of Federal Transit Program

- **1964** Urban Mass Transit Act passed
- **1966** US Department of Transportation elevated to Cabinet-Level Post
- **1973** “Interstate transfer” enacted as part of a federal highway program reauthorization
- **1983** Surface Transportation Assistance Act established the Mass Transit Account, providing it with 1¢ of 9¢ federal gas tax (currently 3¢ of total 18¢)
- **1991** Intermodal Surface Transportation Efficiency Act (ISTEA) allowed highway formula funds to be “flexed” to transit and vice versa



The 108 separate highway, transit, railroad, and safety funding categories in federal law should be consolidated into the following 10 new federal programs:

Current Federal Surface Transportation Programs	
Federal Highway Administration	62 programs
Federal Transit Administration	20 programs
Federal Railroad Administration	6 programs
National Highway Traffic Safety Administration	12 programs
Federal Motor Carrier Safety Administration	8 programs
Total	108 programs



Proposed Federal Surface Transportation Programs	
1.	Rebuilding America — state of good repair
2.	Global Competitiveness — gateways and goods movement
3.	Metropolitan Mobility — congestion relief in major urban areas
4.	Connecting America — connections to smaller cities and towns
5.	Intercity Passenger Rail — regional networks in high growth corridors
6.	Highway Safety — incentives to save lives
7.	Environmental Stewardship — both human and natural environments
8.	Energy Security — development of alternative transportation fuels
9.	Federal Lands — providing public access on federal property
10.	Research & Development — a coherent national research program

The various modal administrations of the U.S. Department of Transportation should be reorganized into functional units.

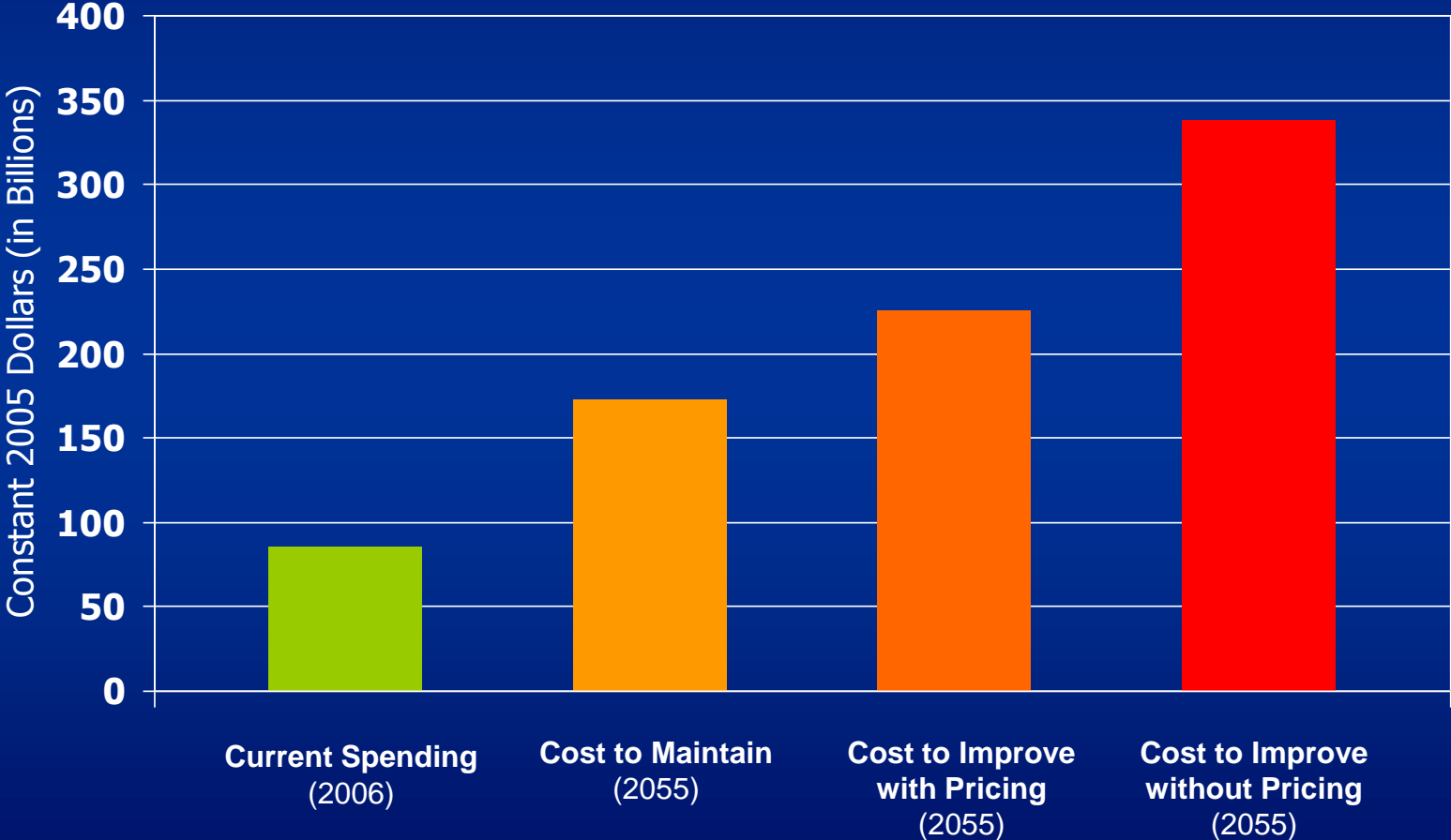
U.K. Model	
Former	New
Road	City/Regional Networks
Rail	National Networks
Air	International Networks
Sea	



3. Reinvestment

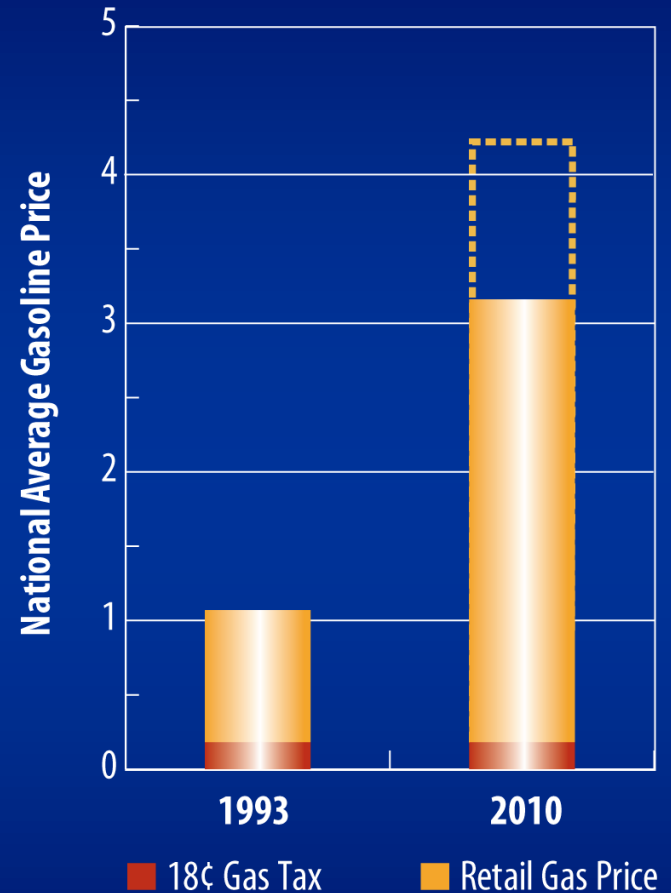


Annual National Funding Gap



To address the investment shortfall by providing the traditional federal share of 40% of total transportation capital funding, the federal fuel tax needs to be raised by 25–40 cents per gallon.

Fuel Tax vs. Fuel Price



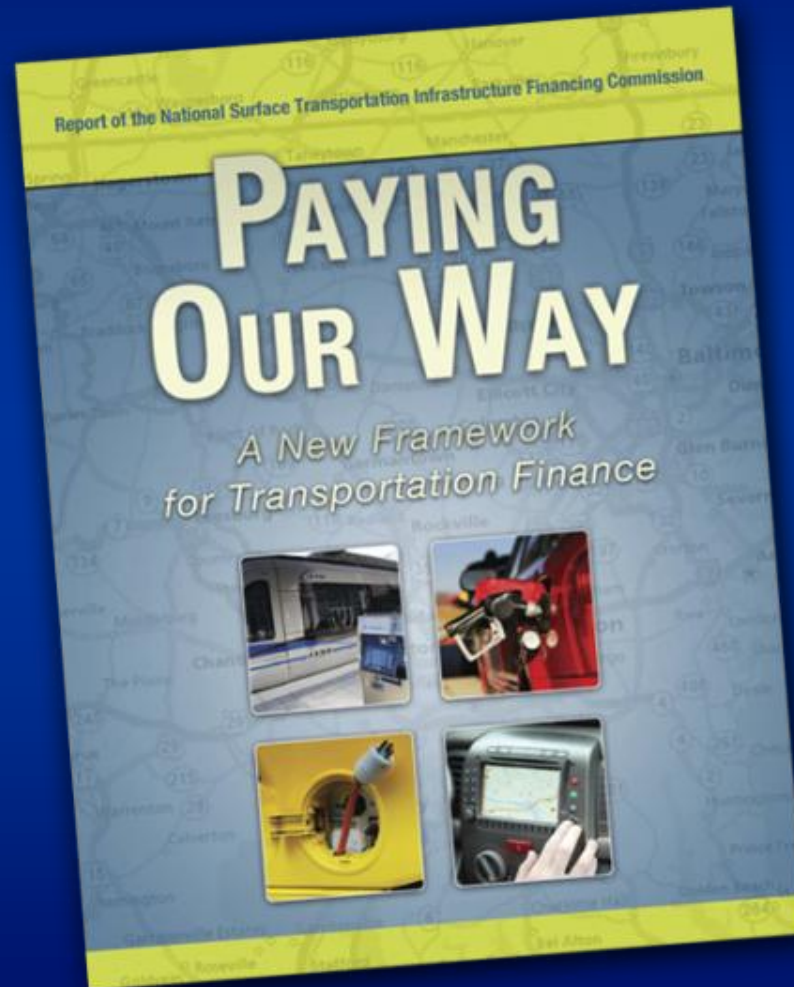
Source: AAA



The fuel tax continues to be a viable revenue source for surface transportation at least through 2025. Thereafter, the most promising alternative revenue measure appears to be a vehicle miles traveled (VMT) fee, provided that substantial privacy and collection cost issues can be addressed.



Financing Commission — February 2009



METROPOLITAN
TRANSPORTATION
COMMISSION

Financing Commission

Key Recommendations:

- **Increase federal gas tax by 10 cents per gallon, and index to inflation thereafter**
- **Transition to a mileage-based usage fee by 2020**
- **Authorize state and local governments to deploy tolling and congestion pricing on widespread basis**
- **Encourage greater use of private investment**



What Went Wrong?





"Read my Lips: No New Taxes"

— George H. W. Bush, 1988





"Under my plan, no family making less than \$250,000 a year will see any form of tax increase."

— Barack Obama, 2009



There's No Such Thing as a Democratic or a Republican Road...

The New York Times

MONDAY, OCTOBER 4, 2010

Rail Service Expansion Imperiled at State Level

By Michael Cooper

Republicans running for governor in a handful of states could block, or significantly delay, one of President Obama's signature initiatives: his plan to expand the passenger rail system and to develop the nation's first bullet-train service.

In his State of the Union address this year, the president called for building high-speed rail, and backed up his words with \$8 billion in stimulus money, distributed to various states, for rail projects.

But Republican candidates for governor in some of the states that won the biggest stimulus rail awards are reaching for the emergency brake.

In Wisconsin, which got more than \$810 million in federal stimulus money to build a train line between Milwaukee and Madison, Scott Walker, the Milwaukee County executive and Republican candidate for governor, has made his opposition to the project central to his campaign.

Mr. Walker, who worries that the state could be required to spend \$7 million to \$10 million a year to operate the trains once the line is built, started a Web site, NoTrain.com, and has run a television advertisement in which he calls the rail project a boondoggle. "I'm Scott Walker," he says in the ad.

And the nation's most ambitious high-speed rail project, California's \$45 billion plan to link Los Angeles and San Francisco with trains that would go up to 220 miles per hour, could be delayed if Meg Whitman, a Republican, is elected governor. "In the face of the state's current fiscal crisis, Meg doesn't believe we can afford the costs associated with new high-speed rail at this time," said Tucker Bounds, a campaign spokesman.

Ms. Whitman's desire to delay the project, which has already received \$2.25 billion in stimulus money, drew a rebuke from the administration of Gov. Arnold Schwarzenegger, a Republican who champions high-speed rail. "To say 'now is not the time' shows a very narrow vision," said Matt David, the governor's communications director.

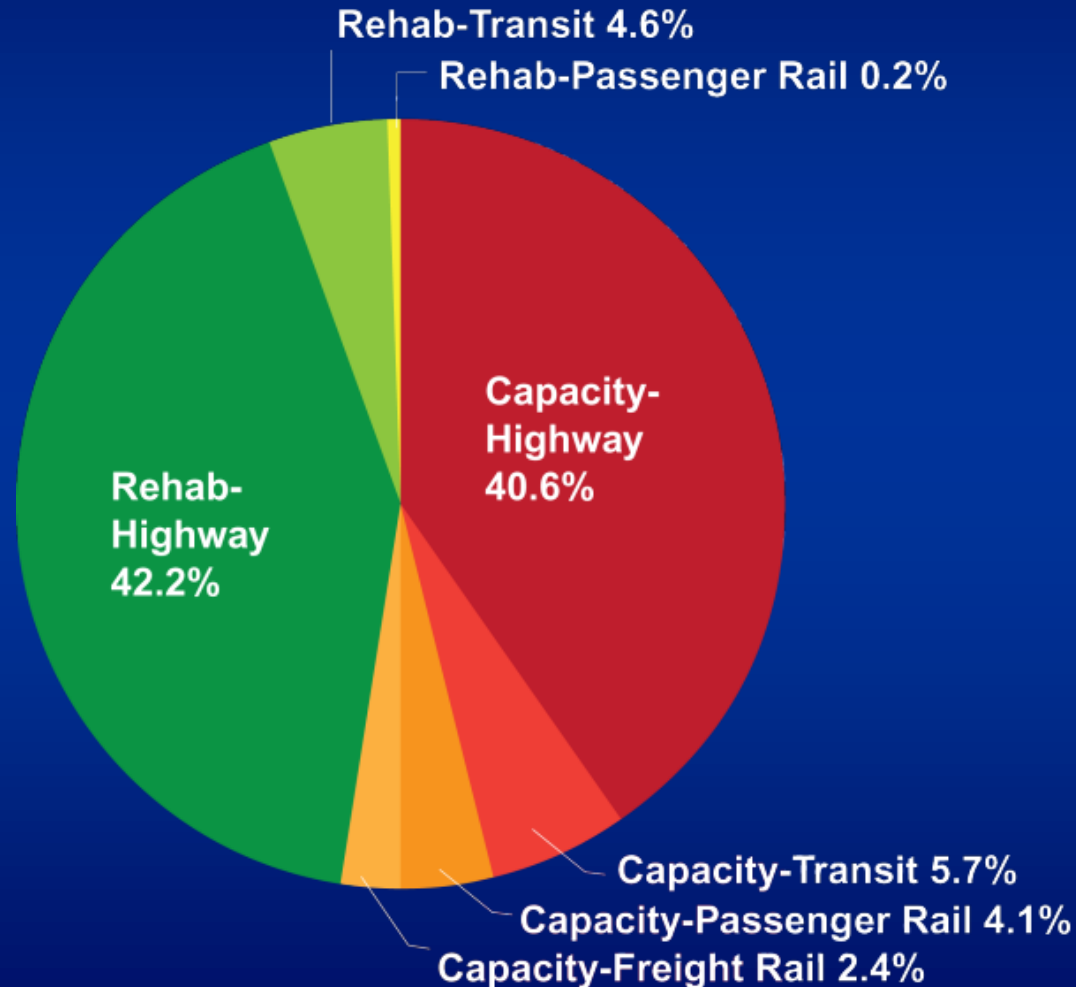
The state-level opposition is a reminder of the challenge of building a national transportation project in the United States: while the federal government can set priorities, the construction is up to the states.

With recent polls showing all of the anti-rail Republican candidates leading or within striking distance of their pro-rail Democratic rivals, it is possible that



PPP to the Rescue?

Cost to Improve by Category



VMT Politics



"We should look at the vehicular miles program where people are actually clocked on the number of miles that they traveled."

— Ray LaHood



"The policy of taxing motorists based on how many miles they have traveled is not and will not be Obama administration policy."

— Robert Gibbs



***“Our unity as a nation is sustained
by free communication of thought
and by easy transportation of
people and goods...***

***Together the unifying forces
of our communication and
transportation systems are
dynamic elements in the very
name we bear — United States.
Without them, we would be a mere
alliance of many separate parts.”***

— Dwight D. Eisenhower, 1955





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