

KENTUCKY

Transportation News

Vol. XXI, No. 29 Published by Kentuckians for Better Transportation December 15, 2009



Gov. Beshear



Donohue



Horsley



Calipari



Hancock



Stumbo

TRANSPORTATION CONFERENCE

Bringing Leaders Together to Focus on Problems, Opportunities

The 32nd annual Kentucky Transportation Conference, January 20-22, will bring local, regional, state and national leaders together to focus on problems and opportunities facing the nation and Kentucky in terms of transportation, economic development, and quality of life.

The conference will feature an up-to-the-minute discussion of the national transportation crisis with national and state speakers, including Thomas J. Donohue, President and CEO, U. S. Chamber of Commerce; John Horsley, Executive Director, American Association of Highway and Transportation Officials; Governor Steve Beshear; Mike Hancock, Acting Secretary, Kentucky Transportation Cabinet; and Speaker of the House Greg Stumbo.

Donohue, the keynote speaker for the conference, is one of the nation's most prominent spokesmen for improving the transportation system. The U. S. Chamber is a leading advocate for increased federal investment in the nation's aging and overburdened transportation system.

A regular participant in the Transportation Conference, John Horsley will discuss AASHTO's call for major reforms and increased federal funding for the nation's transportation programs. The organization's comprehensive package of recommendations urges that the federal program go "back to basics" by focusing on areas of national interest -- preservation and renewal, interstate commerce, safety, congestion, system reliability, and enhanced environment and quality of life.

Beshear will speak at lunch Thursday, and Stumbo will speak at dinner. House Majority Leader Rocky Atkins will speak at lunch on Friday. Other legislators speaking at various times during the conference include Rep. Hubert Collins, Chair, House Transportation Committee; Sen. Ernie Harris, Chair, Senate Transportation Committee; Rep. Sannie Overly, Chair, House Budget Subcommittee on Transportation;

Speakers Thursday afternoon will discuss Kentucky waterway, airport, highway, and public transit programs.

On Friday, UK Basketball Coach John Calipari will start the program with “Winning is Work.” B. D. Wilson, Commissioner, Department of Rural and Municipal Aid, will discuss the outlook for the local program. Respondents for the session are Carroll Co. Judge/Executive Harold Tomlinson and Trigg Co. Judge/Executive Stan Humphries. Hal Kassoff, Senior Vice President, Parsons Brinckerhoff, and a former CAO of the Maryland Transportation Department, will discuss AASHTO’s case studies of revenue enhancement efforts.

The U. S. Senate candidates have been invited to discuss their objectives for a national transportation program. Secretary of State Trey Grayson and Lt. Governor Daniel Mongiardo have accepted the invitation.

KBT members are encouraged to invite their legislators, as guests of KBT, to the reception and dinner on Thursday evening.

The Governor’s Office for Local Development has not yet determined the number of training hours for the conference.

Information on the conference is at:

<http://kbt.net.org/inner.iml?mdl=conferences.mdl>

The registration form is at:

http://kbt.net.org/uploads/conference/2010_KYTransportationConference_RegistrationForm.pdf

FY 2010 Transportation Spending Bill Approved

After months of delay, the House of Representatives approved Thursday, and the Senate approved Saturday, the FY 10 transportation appropriations bill. The House voted 221-202, and the Senate voted 57-35, largely along party lines, to approve the \$447 billion conference report for HR 3288, which contains five other spending bills.

The Consolidated Appropriations Act provides the USDOT \$76.96 billion in gross budgetary resources for FY 10, a 7.5 percent increase over FY 09. The legislation does not include funding for a National Infrastructure Bank as requested by the administration.

Highways – The act provides an obligation limitation of \$41.107 billion for the highway program. In addition, the bill provides a general fund appropriation of \$650 million to be apportioned to the states in the same ratio as the FY 10 obligation limitation. An additional \$250 million from general funds will go for earmarked projects: Surface Transportation Priorities.

Transit – A total of \$10.733 billion is provided for transit, a 4.9 percent increase over FY 09. The obligation limitation for Formula and Bus Grants is \$8.343 billion. Capital Investment Grants (new starts and small starts) is funded at \$2.0 billion.

Aviation – A total of \$15.992 billion is provided for the Federal Aviation Administration, 3.4 percent more than FY 09. The Airport Improvement Program is funded at \$3.515 billion, \$500 thousand more than in FY 09.

Rail – An appropriation of \$2.5 billion is provided for high-speed and intercity passenger rail.

Amtrak – A total of \$1.584 billion is provided for Amtrak, 6.3 percent above the FY 09 appropriation.

The bill includes \$1.020 billion in USDOT congressional earmarks and provides \$600 million for discretionary grants for surface transportation to be allocated by the USDOT Secretary. Projects may include highways and bridges, freight and passenger rail, and port infrastructure. The Secretary is directed to take into account urban-rural equity, geographic equity, and modal diversity when making allocations.

Kentucky highway earmarks include: I-66, Somerset Northern Bypass, \$950,000, Rep. Rogers; University of Kentucky Academy for Transportation Innovation, \$1,000,000, Sen. McConnell; US-25 Widening, Laurel County, \$750,000, Rep. Rogers; Lexington-Fayette Legacy Trail, \$500,000, Rep. Chandler; Scoping Study on Audubon and Natcher Parkways, \$375,000, Sen. Bunning; I-471 Repair Between I-275 and Ohio River, Campbell County, \$500,000, Rep. Davis; and Ohio River Bridges Project, \$1,000,000, Rep. Yarmuth.

Kentucky aviation earmarks include: Hazard-Perry County Airport Instrument Landing System -- \$500,000, Rep. Rogers; Cincinnati/Northern Kentucky International Airport apron rehabilitation, \$500,000, Sen. McConnell, Rep. Davis; and Louisville International Airport airfield capacity improvements, \$750,000, Sen. McConnell, Rep. Yarmuth.

Transit earmarks include: Transit Facility for LKLP Community Action Council in West Liberty, \$1,000,000, Rep. Rogers; Transit Authority of Northern Kentucky Bus Replacement Project, \$1,850,000, Sen. McConnell, Rep. Davis; Lake Cumberland Community Action Agency, bus equipment, \$70,000, Rep. Whitfield; Western Kentucky University Shuttle Bus Improvement Project, \$1,200,000, Sen. McConnell, Rep. Guthrie; Audubon Area Community Services, bus facility at Owensboro, \$1,350,000, Rep. Guthrie, Rep. Whitfield; and Central Kentucky Mass Transit Alternatives Analysis, \$300,000, Rep. Chandler.

Community development (not Highway Trust Fund resources) earmarks include: Infrastructure improvements, Hopkinsville-Christian County Industrial Mega Site, \$4 million, Sen. McConnell, Rep. Whitfield; Job training, Campbellsville-Taylor County Industrial Development Authority, \$500,000, Rep. Guthrie; Small business development center, WKU, \$250,000, Rep. Guthrie; Tourism promotion, Southern and Eastern Kentucky, \$685,000, Rep. Rogers; Job training, Western Kentucky Community and Technical College, Graves County, \$250,000, Rep. Whitfield, Sen. Bunning; and Job training initiative, Innovative Productivity Inc., Louisville, \$150,000, Rep. Davis, Sen. Bunning.

New Stimulus, Surface Extension Using General Fund Proposed

With no apparent support from the Administration and Senate and no will in the House to raise user fees to fund the Transportation and Infrastructure Committee's proposed \$500 billion, six-year surface transportation authorization bill, House T & I Chair James Oberstar (D-MN) and House Appropriations Chair David Obey (D-WI) have proposed a compromise that would temporarily use the General Fund to fund the program.

Under the two-part proposal, the surface transportation program for 2010 and 2011 would be funded with \$51 billion annually from the General Fund rather than the Highway Trust Fund. This would give the HTF time to rebuild. A multi-year authorization bill could then be enacted and be funded by the rehabilitated HTF as early as 2012.

The second part of the proposal is a stimulus program modeled after the American Recovery and Reinvestment Act. This would include an immediate injection of \$22.2 billion from the General Fund,

which would go for highways, rail and ports -- \$15.5 billion; transit -- \$5.7 billion; and Amtrak -- \$1 billion.

If the same apportionment factors were used for the highway, rail, and ports portion of the proposal as that of ARRA, Kentucky would stand to get some \$245 million. AASHTO has assembled a list of nearly 10,000 “shovel ready” projects with an estimated cost of \$69.6 billion. The list includes 49 projects from Kentucky with an estimated cost of \$285 million.

The failure to deal with an adequately funded, long term surface transportation authorization in a timely manner is a serious threat to the nation’s economic recovery. The seriousness of the situation does not appear to be grasped by the Obama Administration and the Senate in their objective to continue the program at or near present funding levels for 18 months. The healthcare debate has stymied consideration of other important pressing issues by the Congress.

The issues of healthcare and global warming are clearly insignificant when compared to the need to stimulate job growth. The jobs that have been lost are primarily in manufacturing and construction, and these are the areas to be concentrated on to put people back to work. The nation’s infrastructure needs are huge, and we know spending money to improve transportation would put people back to work and make the transportation system more efficient for the future.

The bulk of highway construction in Kentucky, as in most states, is financed with federal dollars, so any uncertainty or slowdown in the program has a direct, adverse impact on private and public sector planning and ultimately costs jobs. A similar situation is faced by transit. Federal dollars finance bus purchases. Piecemeal appropriations are killing the companies that supply buses.

The new proposal, of course, postpones the decisions on a long term program and how it will be financed. It raises serious questions about the concept of a system paid for by the users and the separation of the Highway Trust Fund from other spending. It does, short-term, take some of the uncertainty out of the equation and would put some people back to work in a struggling economy.

Road Fund Receipts Continue Fall, General Fund Up Slightly

Road Fund receipts for November totaled \$102.8 million, a decrease of 0.5 percent from November 2008 levels, and 2.7 percent less for the year-to-date compared to FY 09.

General Fund receipts, however, grew 2.4 percent in November compared to last year. Total General Fund revenues for the month were \$722.3 million, compared to \$705.2 million during November 2008.

The official Road Fund revenue estimate calls for a 4.3 percent reduction in receipts for the entire fiscal year (FY10). Based on year-to-date collections, revenues can fall 5.5 percent for the remainder of the fiscal year to meet the estimate.

Among the major Road Fund accounts:

- Motor fuels collections grew 0.3 percent and are up 1.8 percent for the year.
- Motor vehicle usage collections increased 22.7 percent, but still are 5.1 percent less than last year at this time.
- License and privilege tax receipts fell 15.8 percent and are down 8.1 percent for the year.
- Nontax receipts fell 56.5 percent or \$1.5 million and are down 31.0 percent year-to-date.

State Budget Director Mary Lassiter noted that even though November General Fund receipts grew for the first time in 11 months, major concerns remain regarding the revenue outlook in the current year. So far this fiscal year, the General Fund has fallen 3.6 percent.

The Consensus Forecasting Group will weigh this latest information on December 21 and decide upon the official revenue projections to be used to balance the budget this year.

Among the major General Fund accounts:

- Individual income tax receipts declined 3.5 percent due to lower withholding and declaration payments, and are down 6.9 percent for the year.
- Sales tax revenues grew 2.7 percent, partially attributable to timing irregularities, but are down 5.1 percent year-to-date.
- Corporation income tax receipts increased \$7.1 million, but have declined 37.1 percent for the year.
- Cigarette tax revenues grew 83.1 percent due to increased tax rates and are up 74.2 percent for the year.
- Property tax receipts grew 5.6 percent in November, but just 0.5 percent for the year.
- Coal severance tax revenues fell 21.8 percent in continuance of the recent trend of lower coal prices, and are down 12.1 percent year-to-date.
- Lottery revenues remained flat in November and are up 2.0 percent for the year.

FAA Gets 3-Month Extension

The House and Senate have approved HR 4217 to extend current federal aviation programs and taxes through March 31. The bill's provisions include \$2 billion in contract authority for the Airport Improvement Program, \$1.5 billion for air navigation facilities and equipment, and \$92.5 million for research programs.

The last multiyear authorization for FAA expired in September 2007, and the agency has since been operating on a string of short-term extensions. The House passed its long-term authorization bill, HR 915, in May. That bill increases funding for FAA through higher fuel and ticket tax rates. The Senate Commerce, Science, and Transportation Committee approved its version of that bill, S 1451, in July. The Senate Appropriations Committee has not taken up the revenue portion.

Transportation & Infrastructure Vice Chairs Named

Committee on Transportation and Infrastructure Chairman James L. Oberstar recently announced the appointment of vice chairmen for the six T&I subcommittees:

- Subcommittee on Aviation—John A. Boccieri, Ohio
- Subcommittee on Coast Guard and Maritime Transportation—Michael E. McMahon, New York
- Subcommittee on Economic Development, Public Buildings, and Emergency Management—Thomas S. P. Perriello, Virginia
- Subcommittee on Highways and Transit—Mark H. Schauer, Michigan
- Subcommittee on Railroads, Pipelines, and Hazardous Materials—Timothy J. Walz, Minnesota
- Subcommittee on Water Resources and Environment—Donna F. Edwards, Maryland

Rep. Nick Joe Rahall (WV) was named vice chairman of the full committee earlier this year.