

***Two Major Commissions,***

***No Major Law***



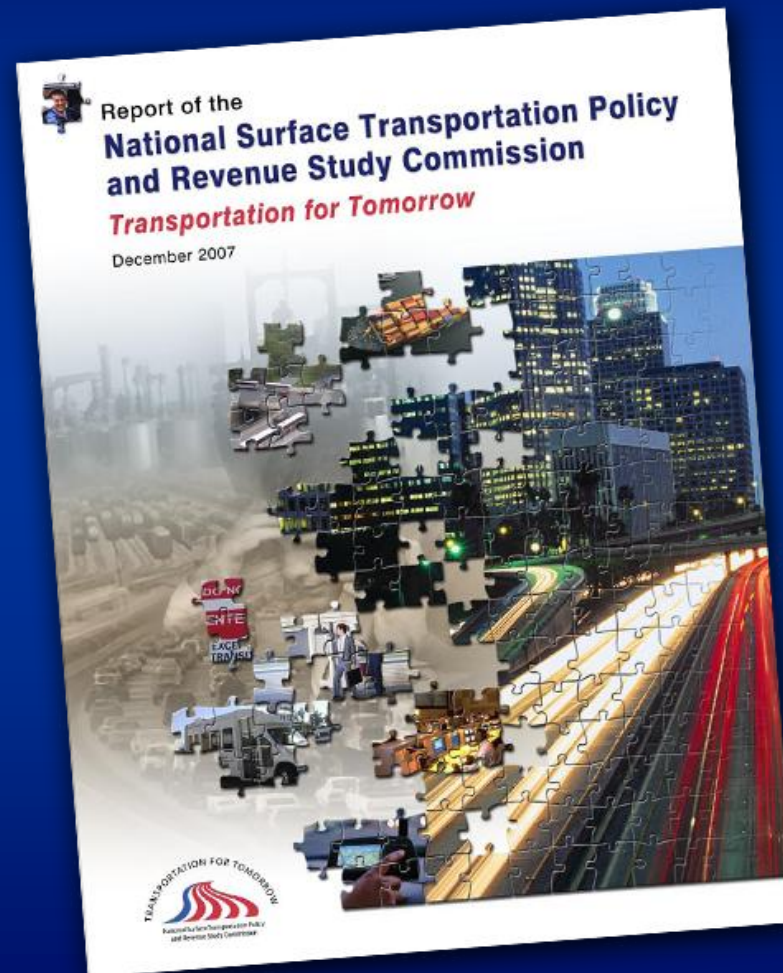
Steve Heminger

*Executive Director*

**Metropolitan Transportation Commission**

**October 2009**

# Policy Commission — December 2007



METROPOLITAN  
TRANSPORTATION  
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# *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.**

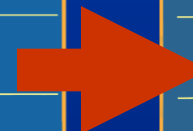


# 2. Restructuring



# 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
<b>Total</b>	<b>108 programs</b>



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



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

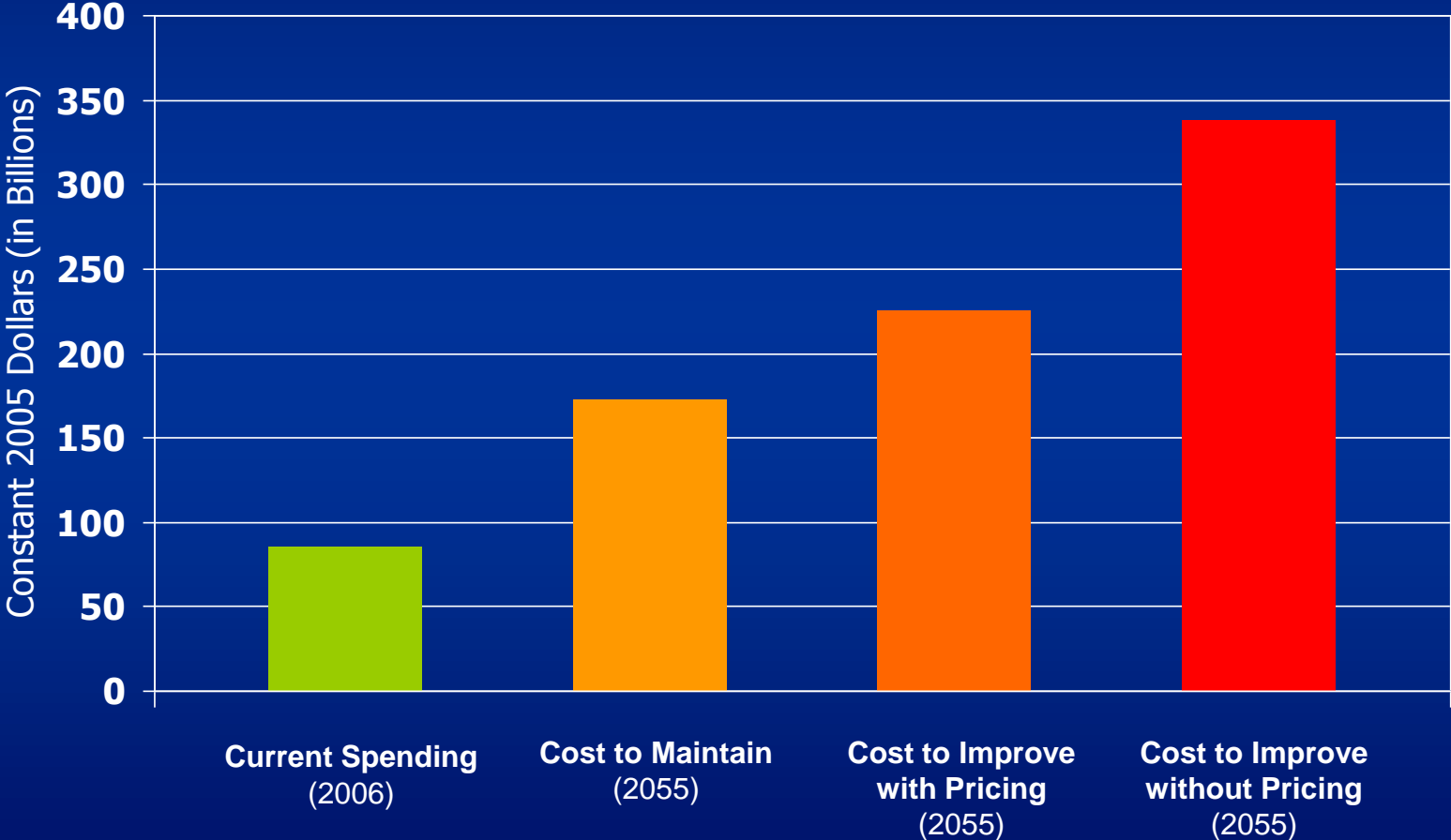
<b>U.K. Model</b>	
<b>Former</b>	<b>New</b>
<b>Road</b>	<b>City/Regional Networks</b>
<b>Rail</b>	<b>National Networks</b>
<b>Air</b>	<b>International Networks</b>
<b>Sea</b>	



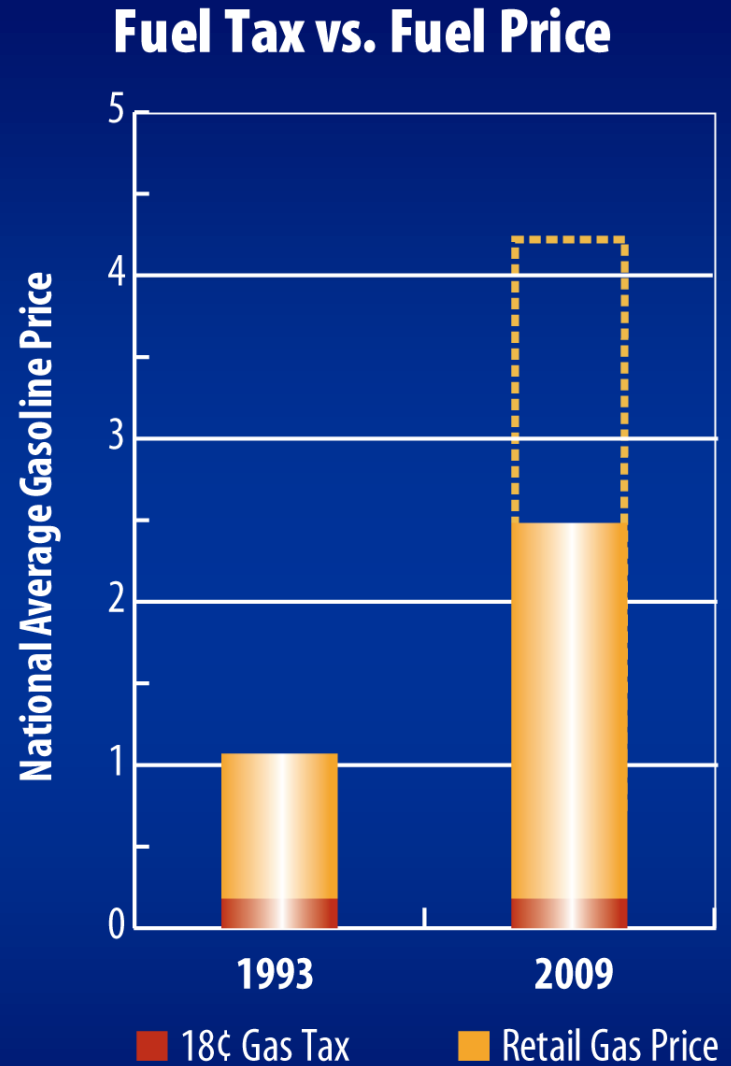
# 3. Reinvestment



# Annual National Funding Gap



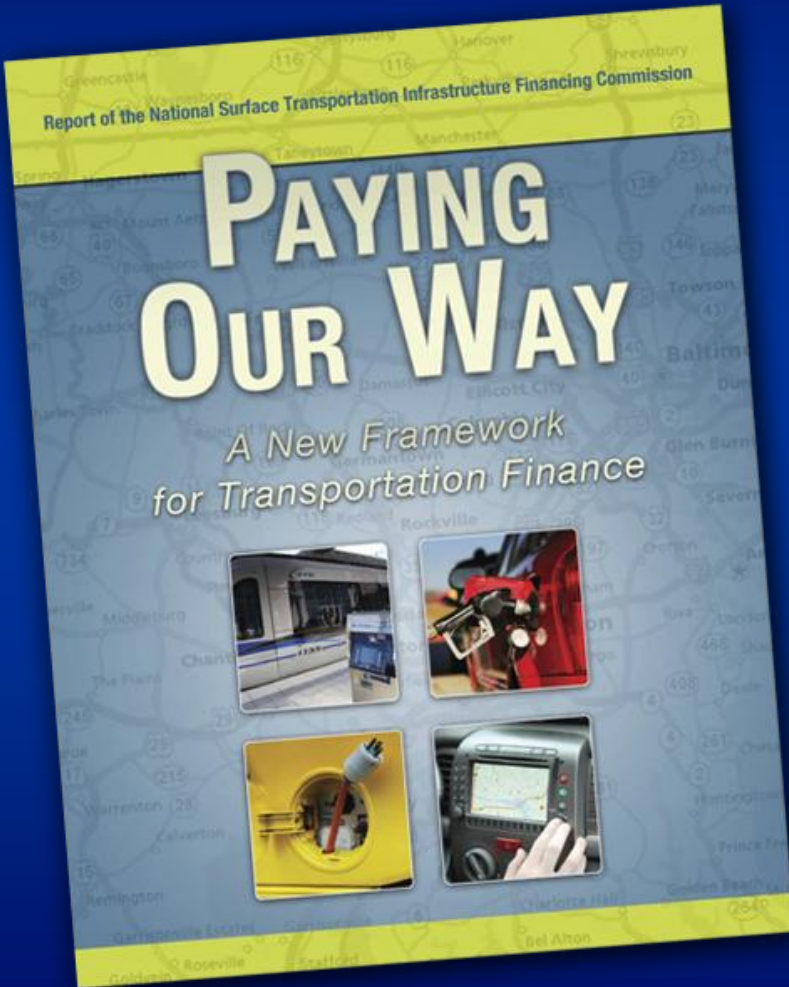
To address the investment shortfall by providing the traditional federal share of 40% of total transportation capital funding, the federal fuel tax needs to be raised by 25–40 cents per gallon.



**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



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# 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



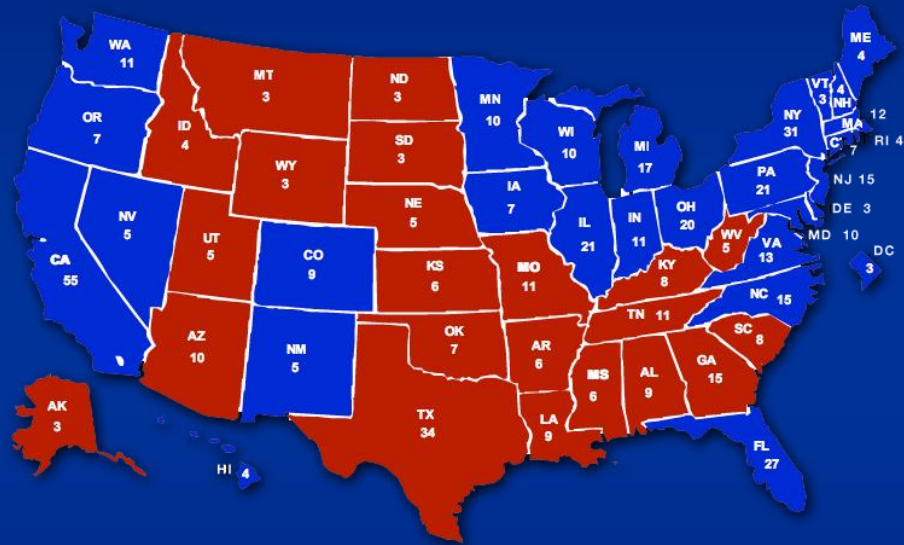


***"Under my plan, no family making less than \$250,000 a year will see any form of tax increase."***

— Barack Obama, 2009



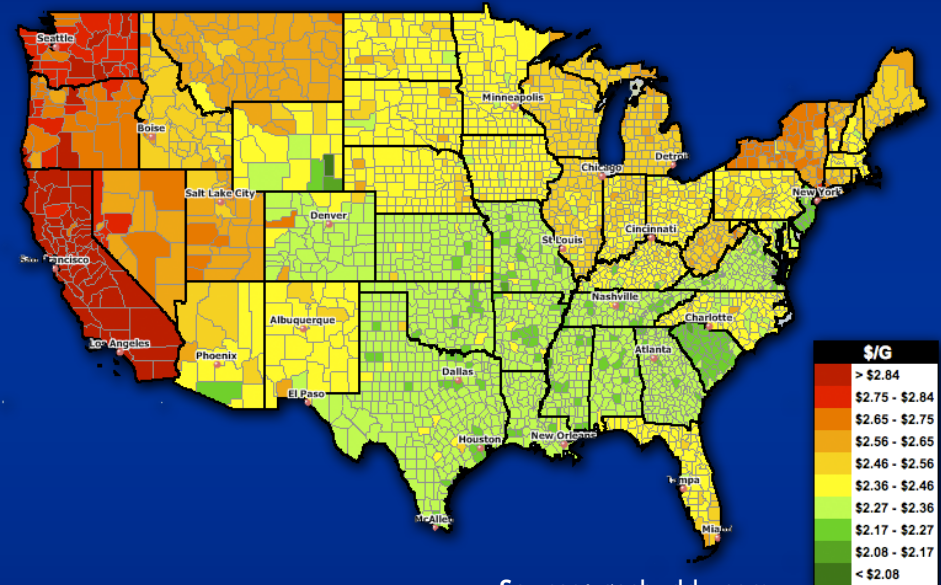
# Red State, Blue State, Gas Price



270  
 DEMOCRATS (D) 364  
 REPUBLICANS (R) 174  
 UNDECIDED 0

Source: 270twin.com

## 2008 Election Results



Source: gasbuddy.com

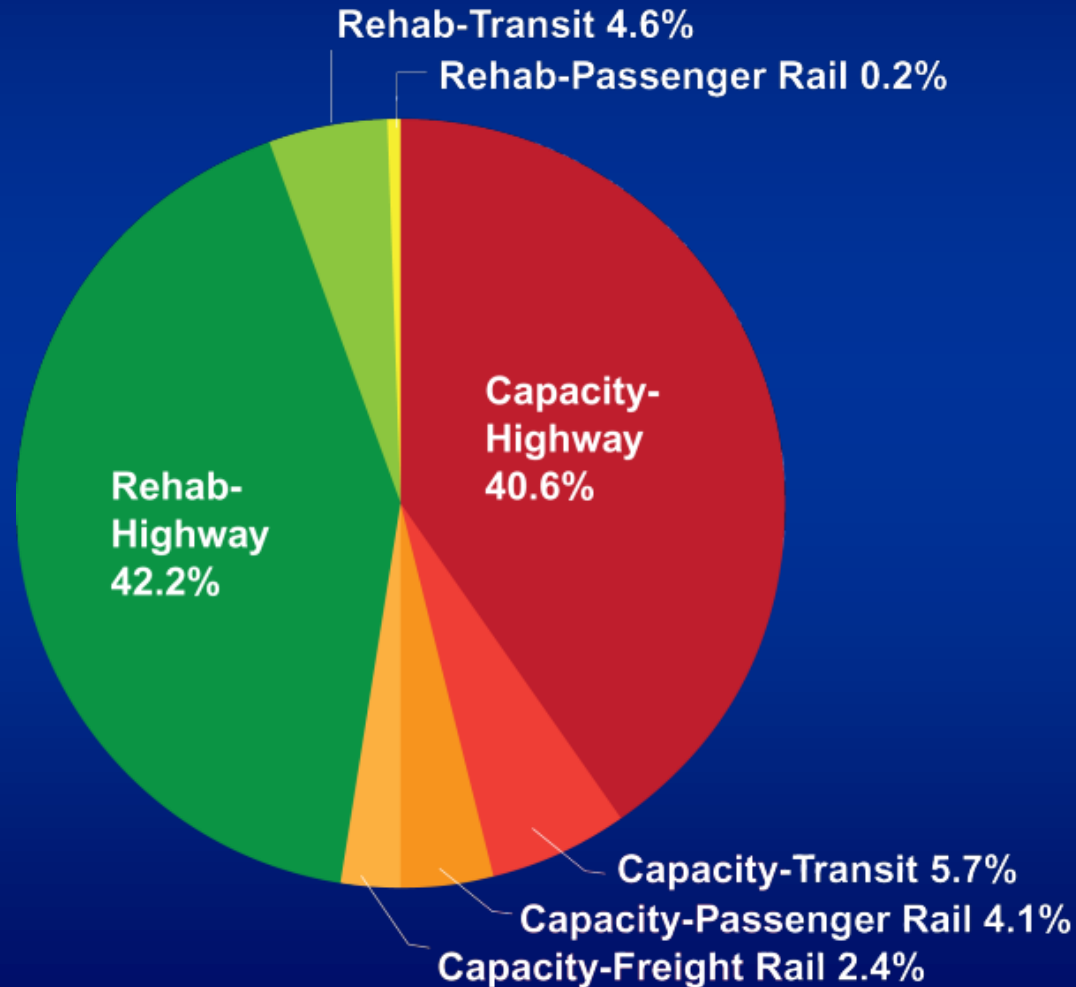
## 2009 Gas Prices



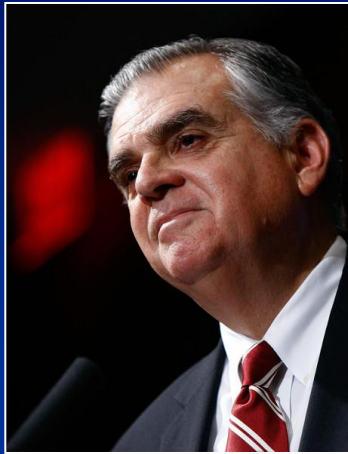
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# PPP to the Rescue?

## 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



***Would A Gas Tax By  
Any Other Name ...  
Smell As Sweet?***



# 1. Windfall Profit Tax



# 2. Sales Tax on Gasoline

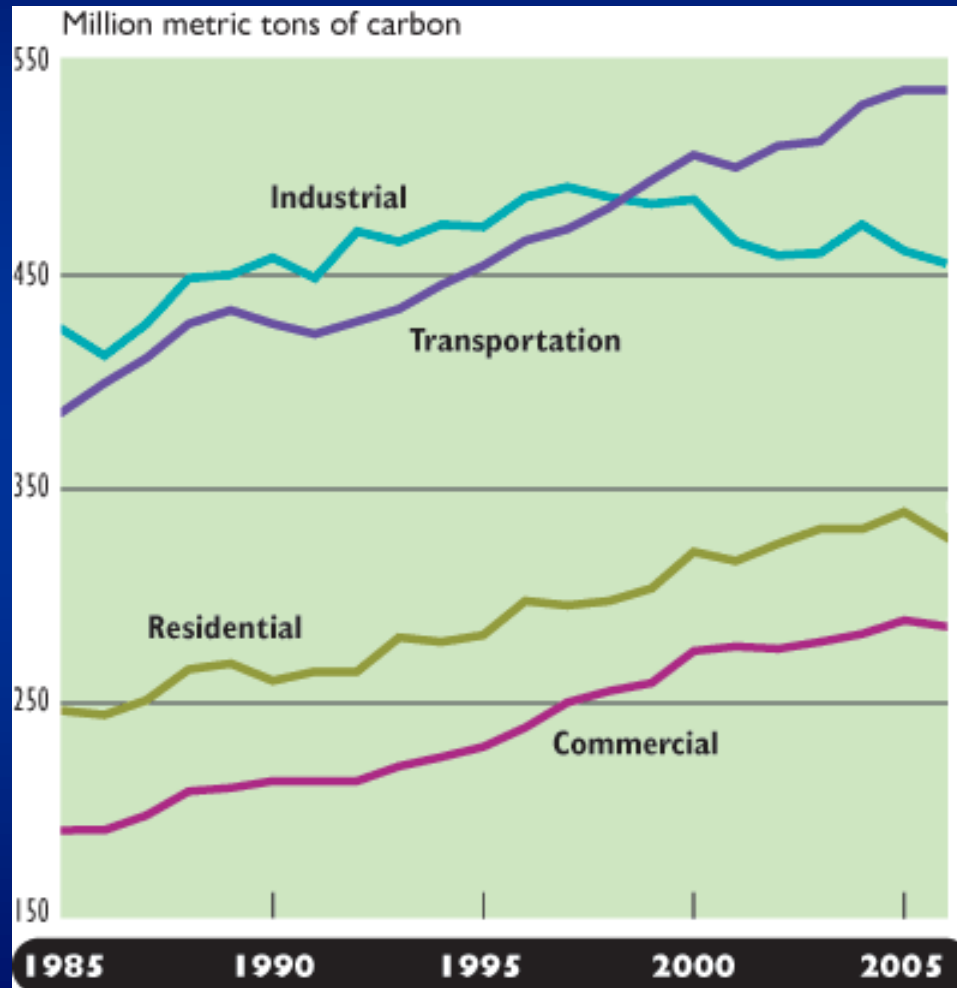
## 72 Month Average Retail Price of Gasoline, 2004–09





# 3. Carbon Tax, Cap and Trade

## U.S. Carbon Dioxide Emissions



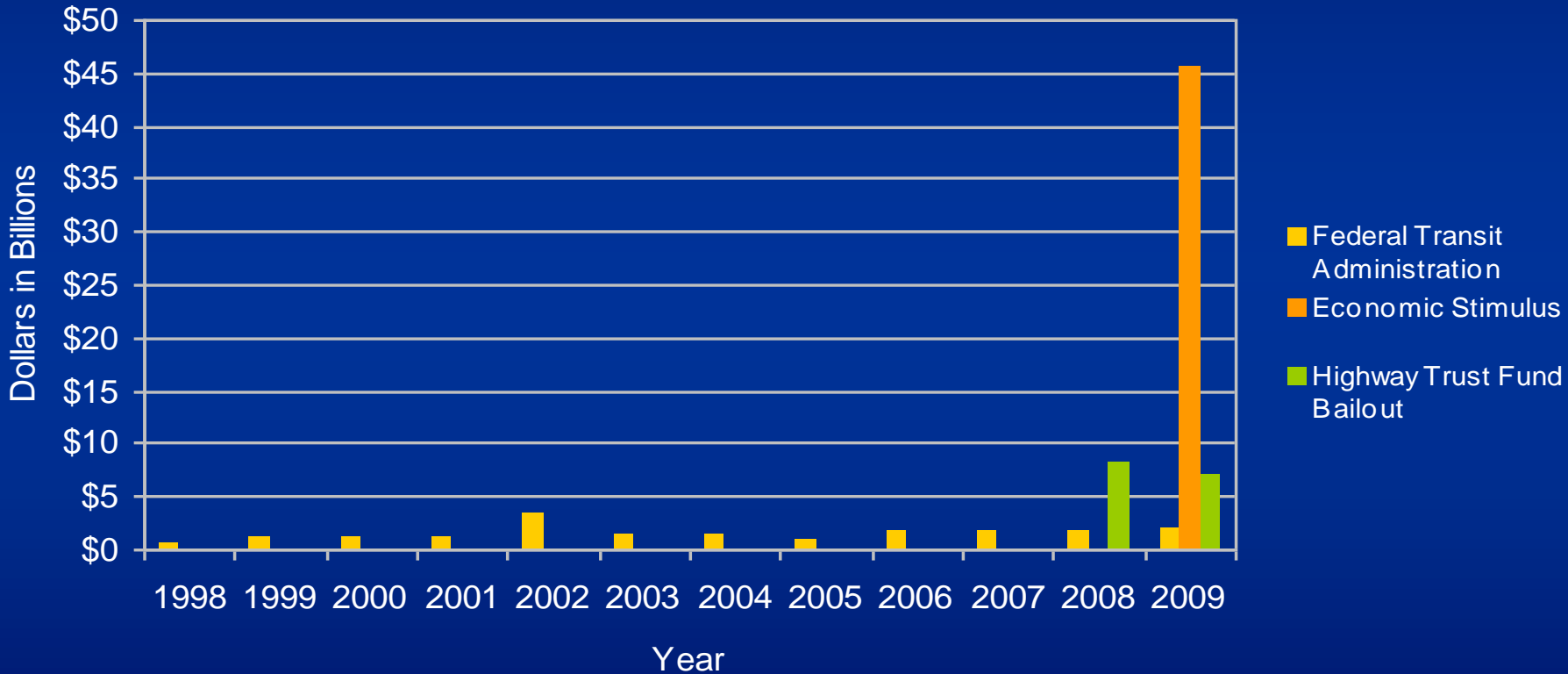
Source: Bureau of Transportation Statistics, 2007



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# 4. General Fund by Default

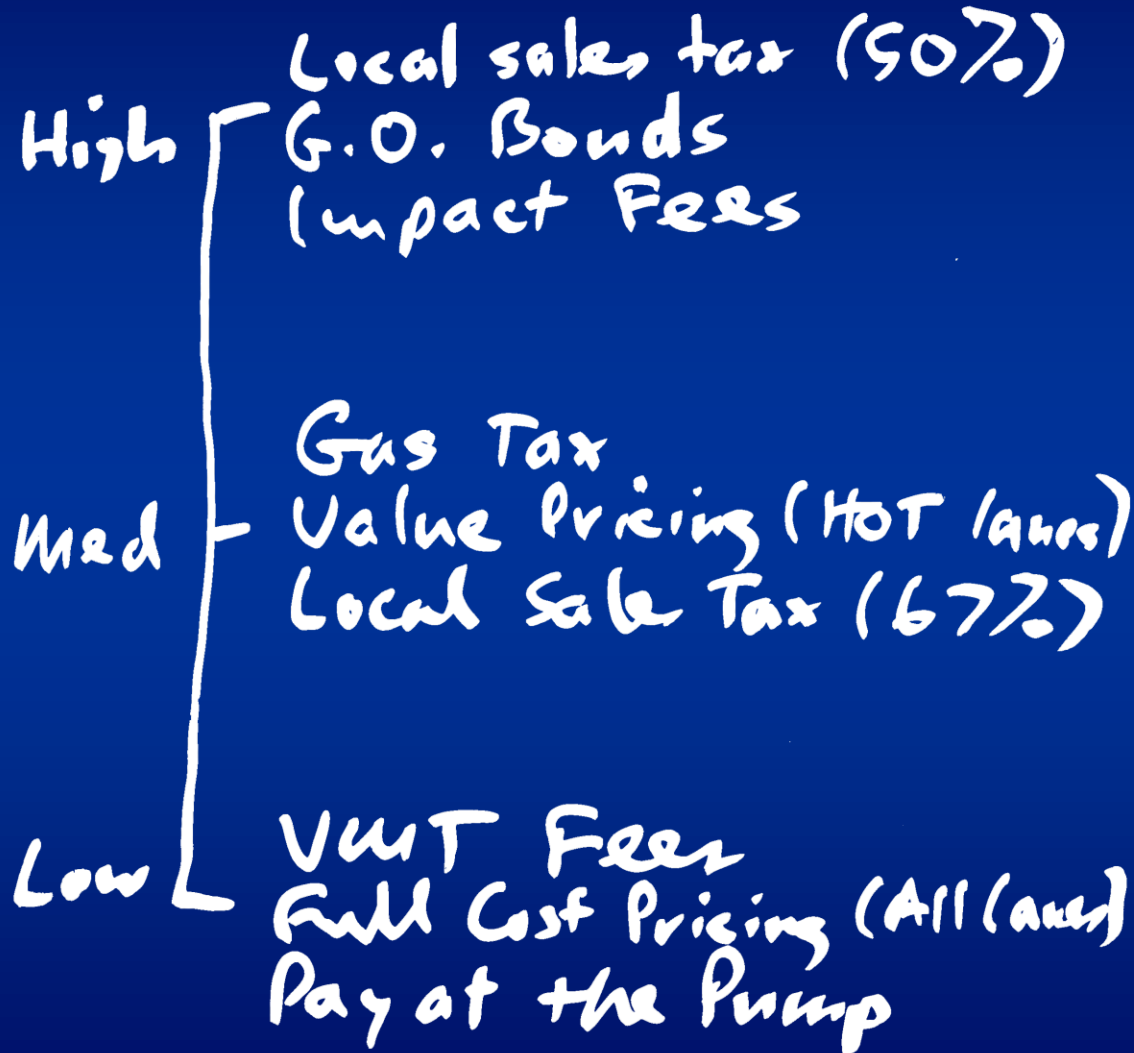
## General Fund Appropriations for Transit and Highways



Source: MTC



# Arrowhead Scale



***“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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