

Two Major Commissions, No Major Law



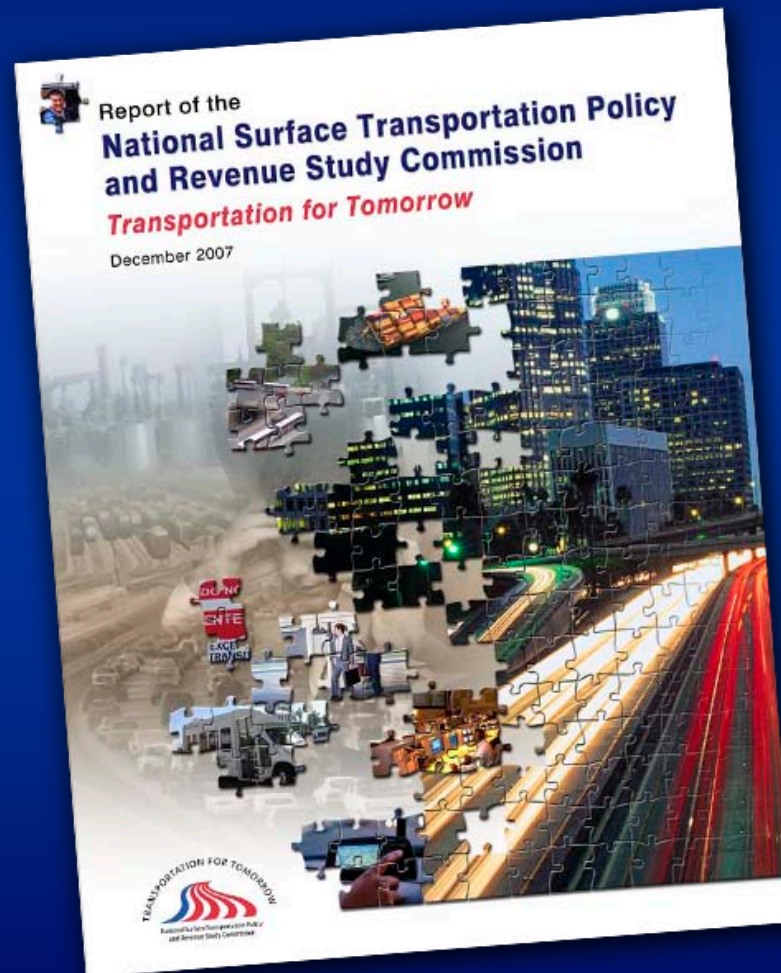
Steve Heminger

Executive Director

Metropolitan Transportation Commission

October 2009

Policy Commission — December 2007



METROPOLITAN
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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.**

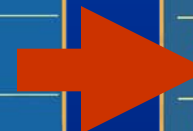


2. Restructuring



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.

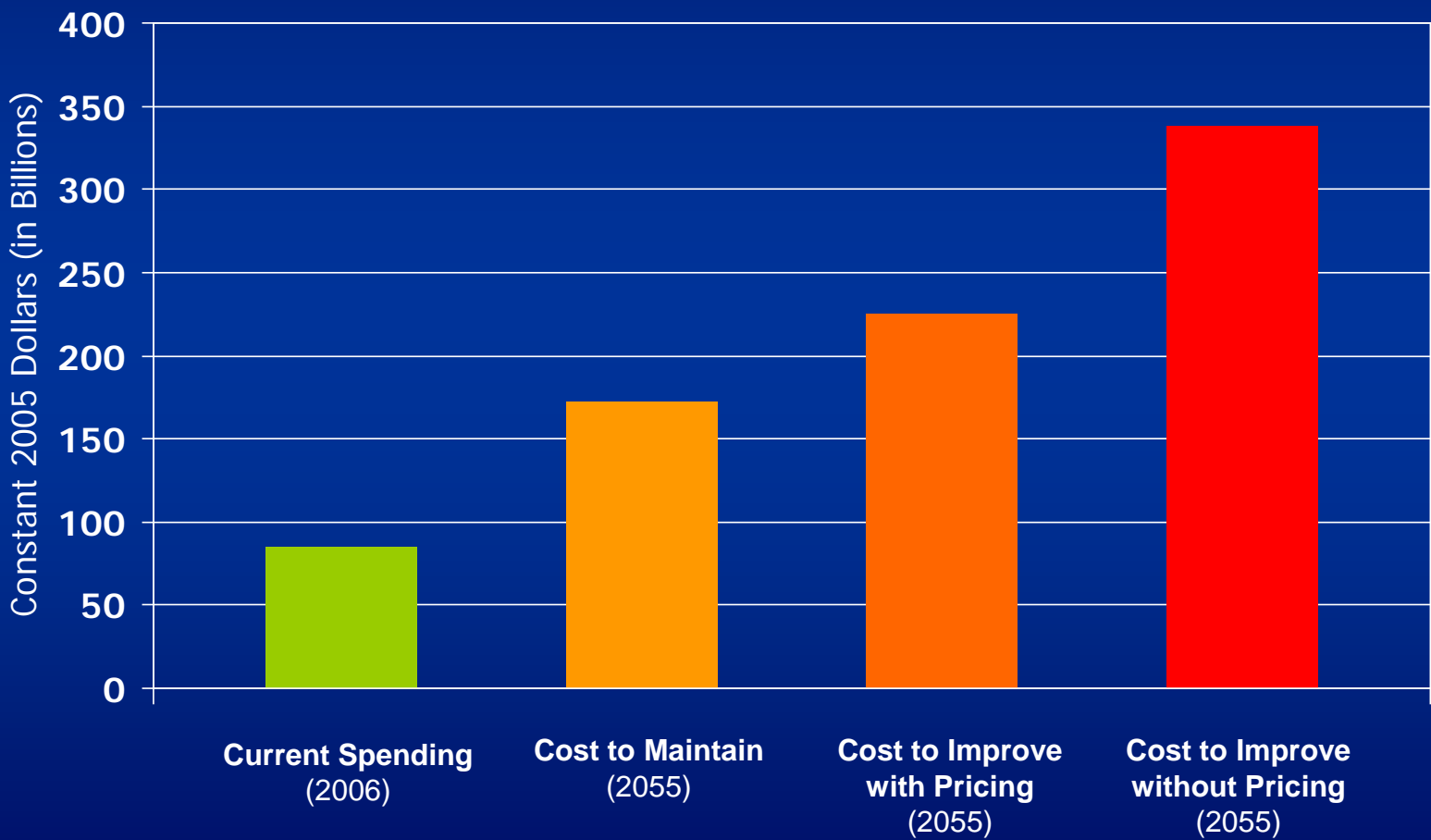
U.K. Model	
Former	New
Road	City/Regional Networks
Rail	National Networks
Air	International Networks
Sea	



3. Reinvestment

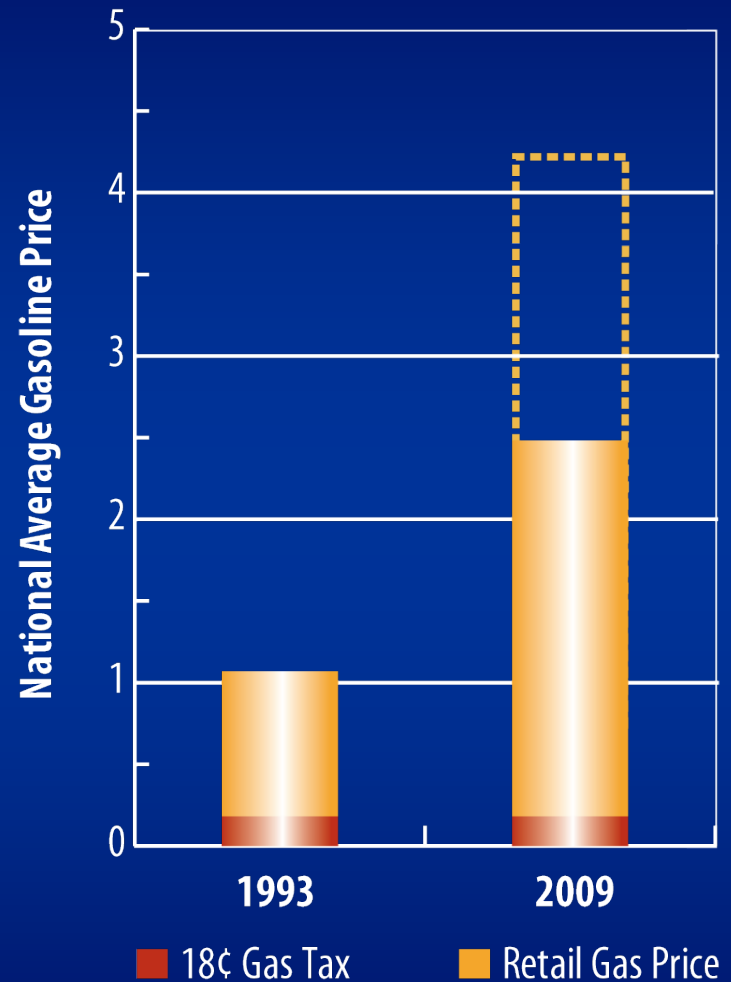


Annual National Funding Gap



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



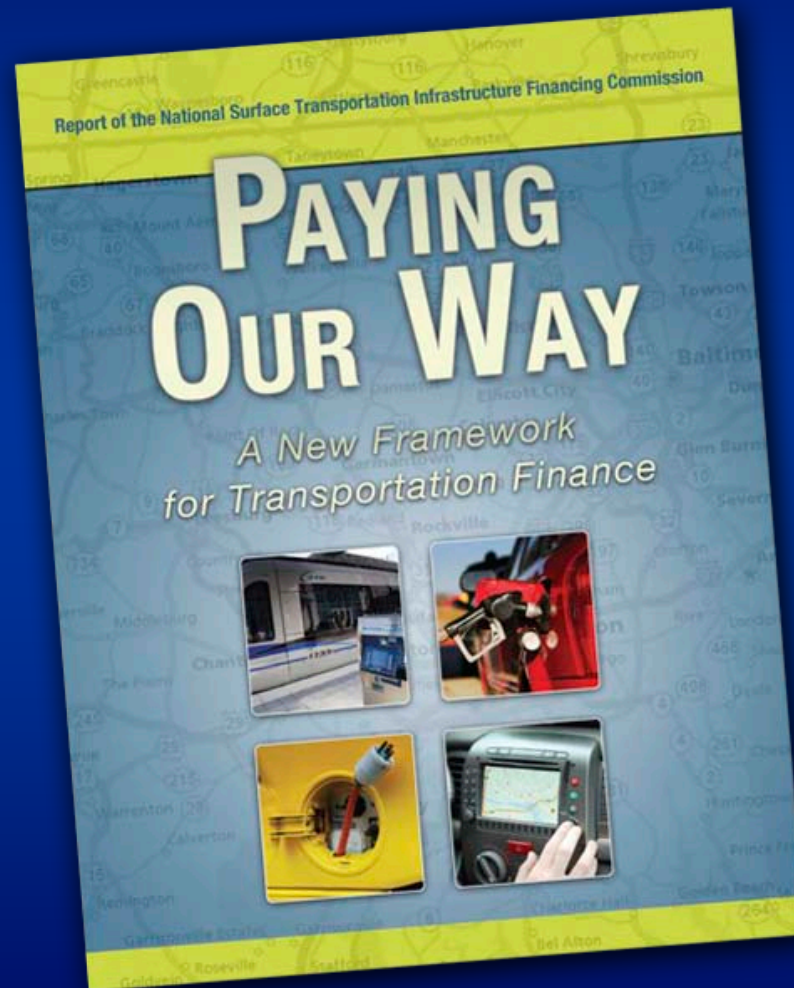
Source: AAA



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
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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



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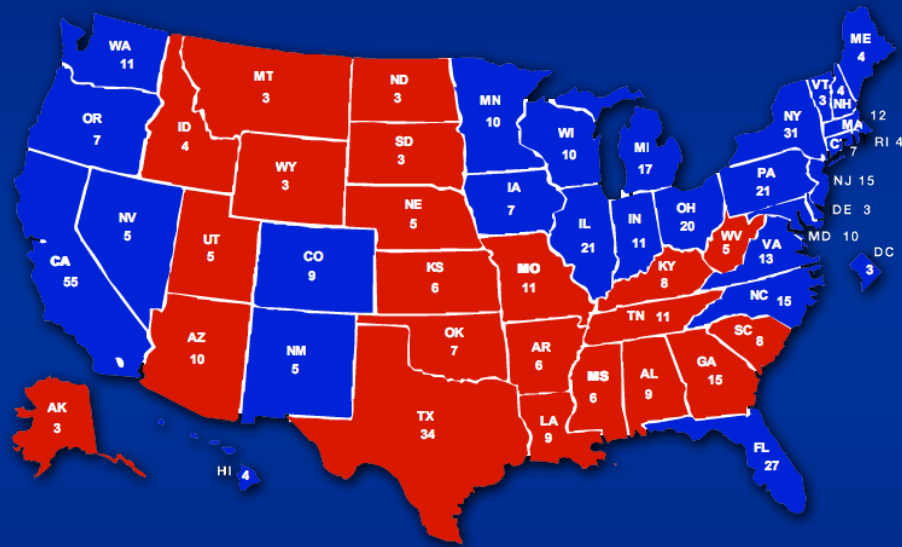


“Under my plan, no family making less than \$250,000 a year will see any form of tax increase.”

— Barack Obama, 2009



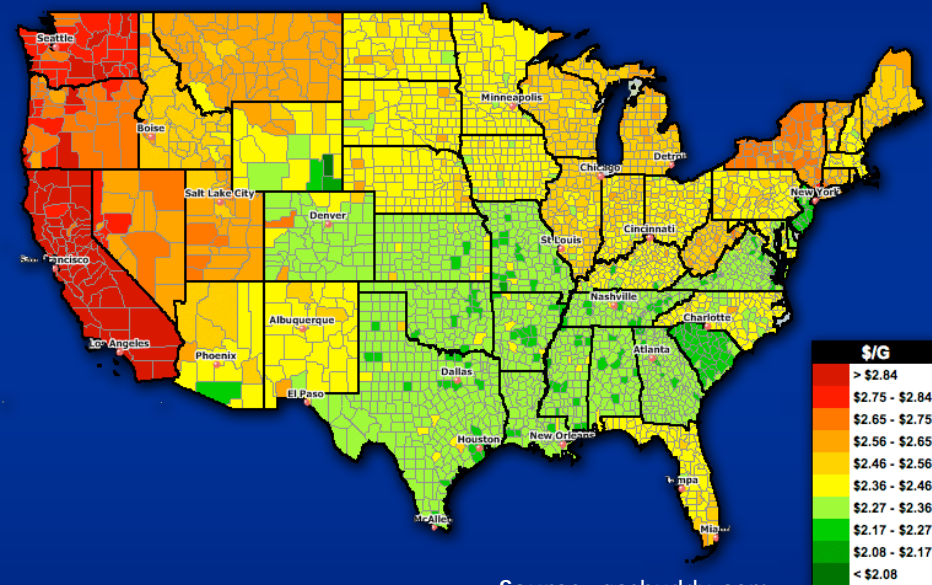
Red State, Blue State, Gas Price



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

2008 Election Results

Source: 270towin.com



2009 Gas Prices

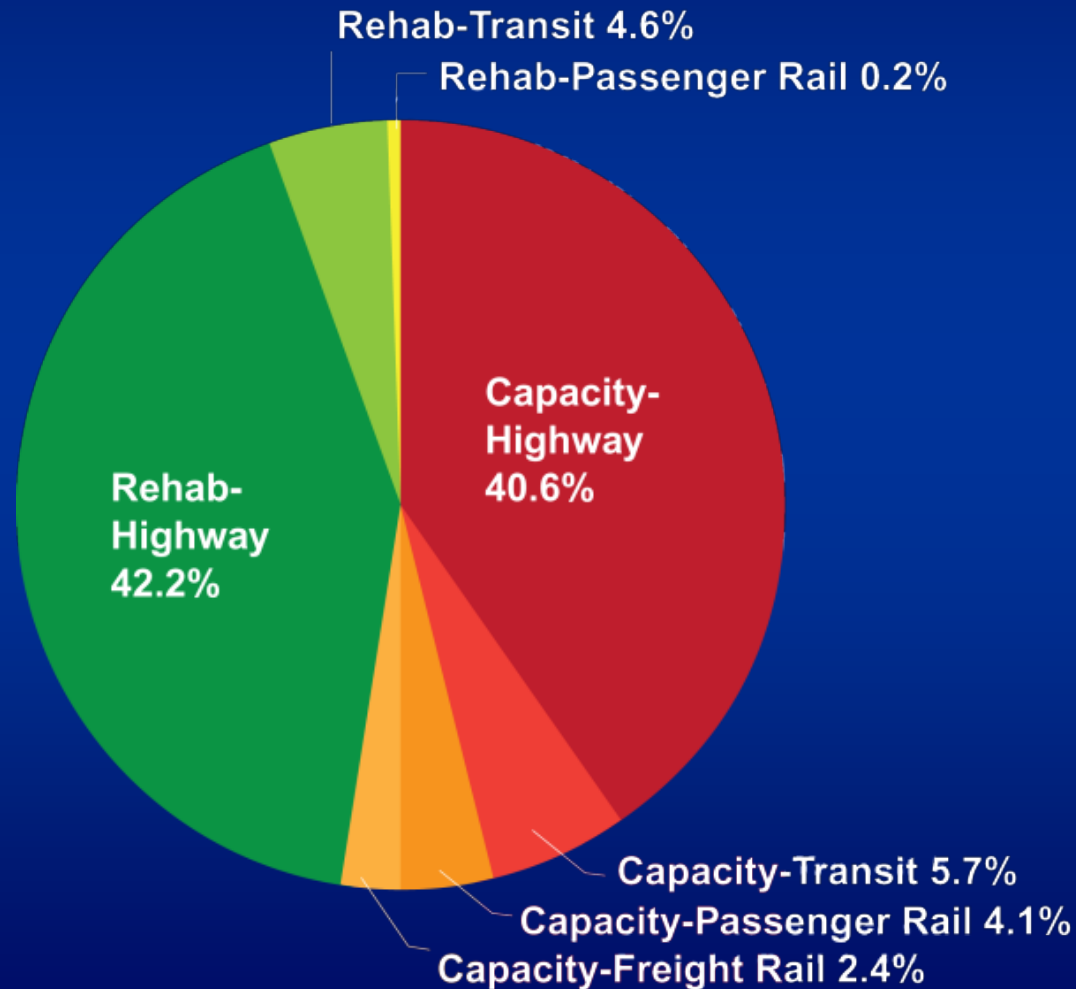
Source: gasbuddy.com



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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

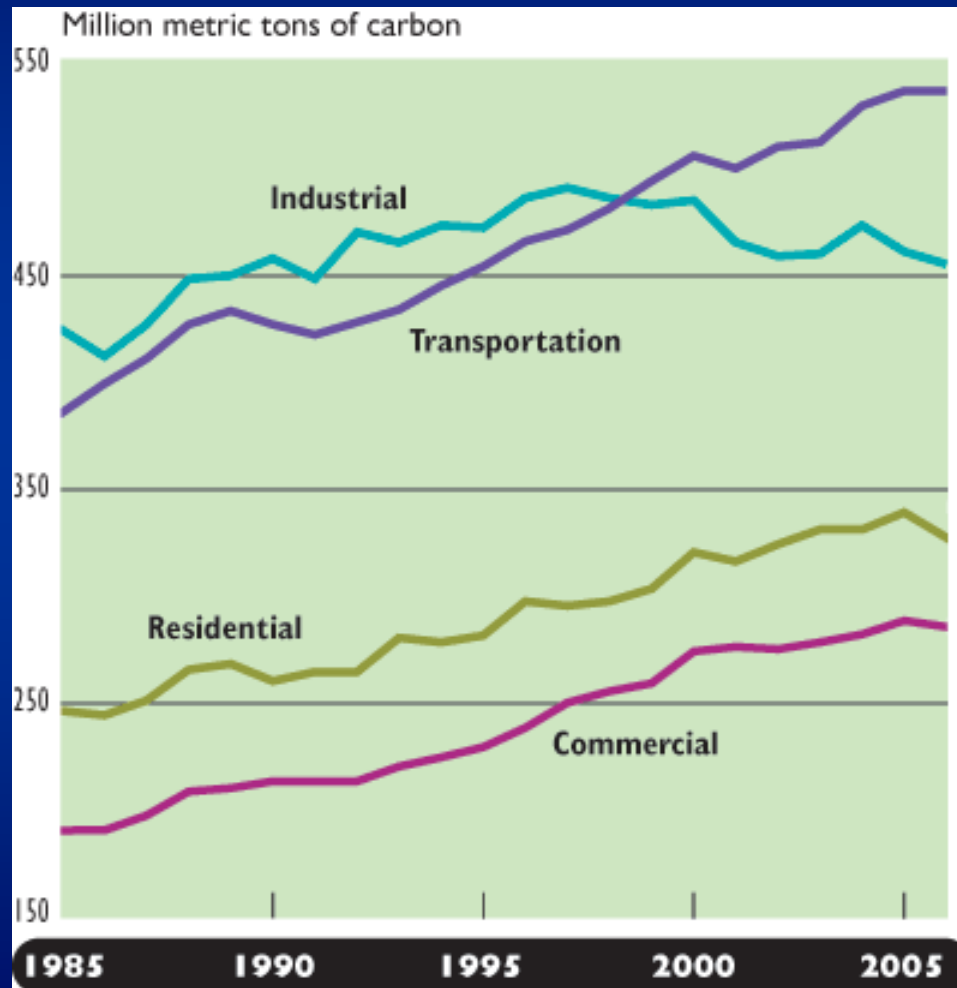


2. Sales Tax on Gasoline



3. Carbon Tax, Cap and Trade

U.S. Carbon Dioxide Emissions

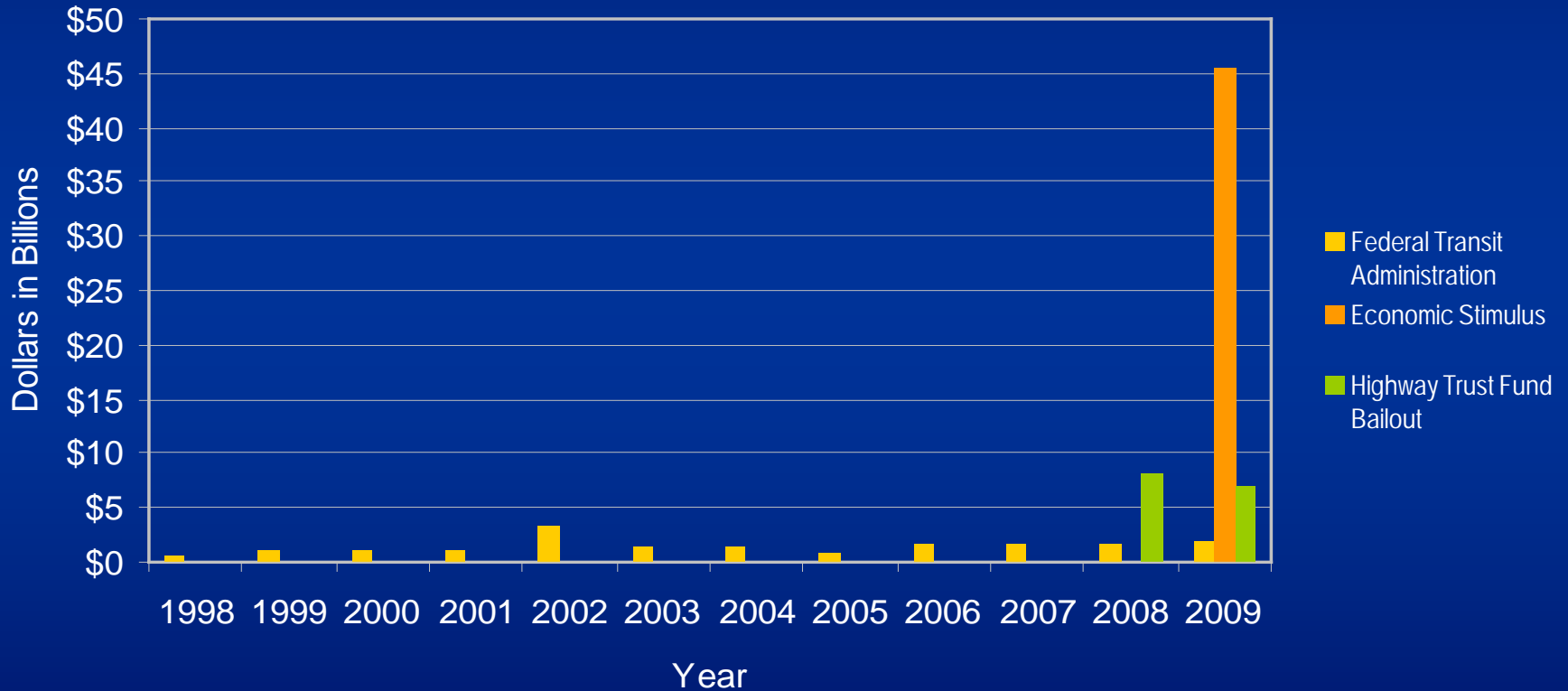


Source: Bureau of Transportation Statistics, 2007



4. General Fund by Default

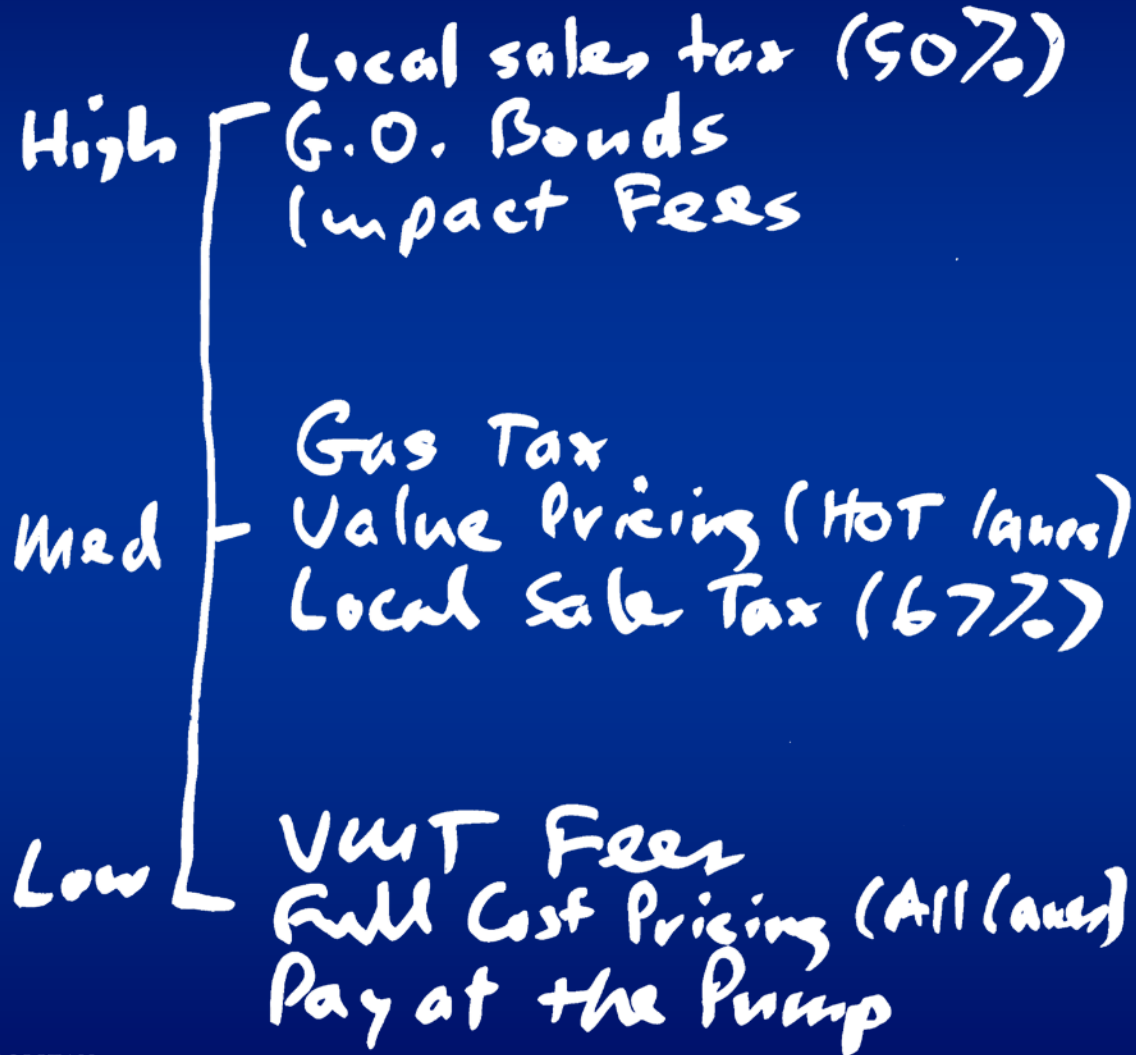
General Fund Appropriations for Transit and Highways



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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