

THE COUNCIL OF STATE GOVERNMENTS
2009 SPRING CONFERENCE

TRANSPORTATION POLICY TASK FORCE

Business Meeting
Coeur d'Alene Golf & Spa Resort
May 16, 2009
Coeur d'Alene, Idaho

MEETING SUMMARY

Presiding:

Chair: Senator Mark Norris, Tennessee

Members in Attendance

Mr. Thomas Butler, Massport
Ms. Jacqueline Clark, Ash Grove Cement Company
Senator Linda Menard, Alaska
Senator Mark Norris, Tennessee
Representative Geoff Simpson, Washington
Senator Bill Stouffer, Missouri
Senator Mike Vehle, South Dakota

Guests in Attendance

Ms. Paige Anderson, CSG
Ms. Jennifer Burnett, CSG
Representative Donald Clark, North Dakota
Mr. George W. Cook III, Alliance of Automobile Manufacturers
Senator Joan Heckaman, North Dakota
Representative Dennis Johnson, North Dakota
Mr. Mike Kido, Pacific Resource Partnership (Hawaii)
Representative Gerry Lange, South Dakota
Mr. Ty Lund, Legislative Assembly of Alberta, Canada
Senator John McGee, Idaho
Mr. Rakesh Mohan, Idaho Legislature Staff
Mr. John Mountjoy, CSG
Mr. Jack Riggs, Pita Pit USA, Inc.
Mr. Ted Scott, American Trucking Associations
Mr. Sean Slone, CSG
Mr. Chris Whatley, CSG
Senator Chuck Winder, Idaho

The meeting was called to order by **Sen. Mark Norris**, chairman of the Transportation Policy Task Force. The meeting began with introductions of new members.

I. Policy Resolution Discussion

The first item on the task force agenda was consideration of a policy resolution. **Sen. Norris** explained that the resolution is one he proposed on an organizational conference call earlier this spring which was then drafted by Sean Slone. He noted that last year during the annual meeting in Omaha, the advisory group approved a more sweeping resolution that got behind some principles members would like to see in the next re-authorization. He said what the new resolution does is to say to Congress that in spite of the funding committed to transportation in the stimulus, there is still a need for a substantial investment to meet the nation's transportation needs in the next authorization bill.

Sen. Norris said he is concerned that the amounts received by states have had a desensitizing effect on government officials. He said there is a view among Congressional delegations that now that they have to tackle re-authorization, people are going to say "we already did that, didn't we?" He said what the resolution is trying to do is to say "please don't do that. Act as though the stimulus never happened. You're already behind [in providing adequate funding for transportation]. Don't sell this mission short just because of the stimulus."

Sen. McGee agreed on the importance of the funding levels in the new authorization being substantial. He said Idaho has struggled because there is little money to maintain roads.

Sen. Menard said her state of Alaska, still a very young, growing state, has three of the most hazardous roads in the nation and continues to need infrastructure investment.

Sen. Vehle said the stimulus may have had an impact on inaction by the South Dakota legislature due to the mistaken belief that stimulus dollars would be able to meet all of the state's transportation needs. He said it is important to continue to press Congress to fund transportation.

Jackie Clark said she too is concerned with making sure Congress does not back away from the opportunity for significant investment in transportation.

Sen. Vehle said despite comments of others to the contrary, raising the gas tax to fund transportation may be politically viable if legislators explain the importance to their constituents. "We've got to help make it viable," he said.

Ted Scott concurred that the fuel tax is the only viable option since Vehicle Miles Traveled charges are still some years away and bonding and tolling can only provide a limited percentage of transportation dollars. He said ATA has supported raising the fuel tax and can't get anybody to listen to them.

Sen. Norris spoke about the importance of doing consciousness raising among constituents about the need for transportation funding. He discussed a situation in Tennessee where the Governor diverted gas tax money to the General Fund and expressed concern that if you're going to ask people to pay more, it's important that they trust that their dollars are going for the intended purpose. The Senator said Tennessee just recently closed the loophole that allowed the Governor to divert the money. He said everyone also wants to wait and see what the federal government is going to do as far as raising the federal fuel tax.

Sen. Stouffer expressed a need to pull away from the fuel tax and move toward a broader-based tax. He said a sales tax would be more fair.

Sen. Winder said there is an anti-tax element in Idaho which believes that any tax is bad and educating the public does not seem to help a lot. He expressed the need to find some new options to fund transportation as fuel efficiency improves and more are driving hybrids, etc. Those options may include a mileage tax or sales tax, he said. But right now the general public doesn't yet buy into the need for these additional revenues.

Sen. Norris said it will take a bold initiative similar to Eisenhower starting the interstate system to capture public imagination about the nation's transportation needs. He said he hopes Washington doesn't miss another opportunity to talk about transportation needs in bold terms, taking a "man on the moon" approach.

Sen. McGee said Idaho's House of Representatives voted down five different amounts for gas tax increases.

Sen. Norris said Tennessee considered indexing the gas tax to the cost of inflation or the consumer price index.

Rep. Simpson said Washington has since 2003 raised its gas tax 14.5 cents. The state also has an amendment to the Constitution that prevents use of gas tax revenues for anything but highways. He said that helps with the public perception issue. He said the state also implemented performance audits of the department of transportation and increased accountability by taking transportation away from the transportation commission and giving it to the Governor so that she was directly accountable to the people. He said despite that, the gas tax is a declining source of revenue. Transit agencies are seeing double digit increases. He said he'd like to see more emphasis in the resolution on transit and on how transportation creates not only short term economic stimulus and jobs by putting people to work but creates long term job growth as well because you can get your goods and services to and from the marketplace.

Sen. Norris suggested changing the word "praises" to "commends" in the first Be It Further Resolved statement

Rep. Simpson suggested the following changes to the resolution:

- Adding the word "transportation" in front of the word "infrastructure" anywhere it appears in the text.
- Adding a clause at the end of the fourth "Whereas" statement that reads "while at the same time stimulating the economy through the creation of thousands of new construction jobs."
- Adding a line to the first "Resolved" clause emphasizing that the next multi-year transportation authorization bill "include a focus on all modes of travel."

Sen. Norris moved that his wording change and Rep. Simpson's additions be combined into one amendment.

The amendment and the amended resolution were approved on unanimous voice votes.

II. Suggested State Legislation Discussion

Next on the agenda were four bills from the docket of Suggested State Legislation.

The first bill on the docket was **14-30B-01**, a bill from North Carolina that concerns **Child Passenger Safety Technician Liability**.

Sen. Menard made a motion and Sen. Norris seconded the motion to defer consideration of the bill to the next task force meeting. The motion was defeated.

Thomas Butler made a motion that was seconded to include the bill in the next SSL volume. That motion was approved.

The second bill on the docket was **14-30B-02**, a bill from West Virginia concerning the **cancellation, suspension or revocation of licenses – reports by health care providers**.

Mr. Butler made a motion to reject the bill, which was seconded by Sen. Stouffer. The motion was approved.

The third bill on the docket was **14-30B-03**, another measure from West Virginia entitled the **Public-Private Transportation Facilities Act**.

A motion was made and seconded to reject the bill. The motion was approved.

The final bill on the docket was **14-30B-04**, a measure from New Jersey entitled the **Public Assistance Cost Reduction and Transportation Independence Pilot Program**.

Sen. Vehle made a motion to reject the bill that was seconded by Mr. Butler. The motion was approved.

III. Staff Update

Finally, Sean Slone provided the following updates on the task force and transportation policy-related initiatives at CSG:

- The task force will next meet in person at the Annual Meeting in La Quinta, California November 12 through 15th.
- CSG would like to in the interim bring as many members together as possible on a quarterly basis via teleconference or Go-to-meeting software. The purpose of these calls would be to provide updates on transportation issues going on in Washington and around the country and to solicit ideas for policy resolutions, issue briefs, articles for *State News* magazine, and other things CSG can do to communicate good ideas to its broader membership.
- The first of these teleconferences we'll be looking to schedule in June. It might include an update on the authorization process and other transportation issues on Capitol Hill from someone like Jack Basso of AASHTO. CSG is also open to any suggestions for guest speakers for these calls.
- After the first call, CSG would look to have another call sometime during the third quarter of 2009. And as the Annual Meeting approaches, the task force may want to convene via telephone a bit more frequently, particularly to draft policy resolutions for consideration in La Quinta.
- One of the major projects we undertook last year was to produce a report on Transportation and Infrastructure Finance. The thinking was that states are or will soon be looking for a menu of policy options to finance transportation projects going forward in light of flagging fuel tax revenues and other issues. So that's what the report attempts to do. Copies of the report are available and it is also available on the CSG website. CSG recently mailed out some 1,350 copies to state lawmakers around the country who sit on transportation committees and state transportation secretaries or directors. We've received positive feedback that this is a timely, well put-together report. It lays out the arguments pro and con for a number of the commonly discussed alternative financing

mechanisms, includes numerous state case studies, and has a lot of charts and tables that may be of interest to you as you go about your transportation policy work in your states.

- That report was a key deliverable as part of the initial seed money we received from CSG's internal 21st Century Foundation which helped us also start the Transportation Advisory Group. At the foundation's meeting in Coeur d'Alene, CSG proposed a new report and project that focuses on assessing how well states are doing in getting shovel-ready projects up and running and what kinds of projects states are funding with stimulus dollars. Another component of this project would be an addition to our StateRecovery.org website. This is a significant way that CSG has distinguished itself in the stimulus process and provided added value to our members. It quite simply is one stop shopping for everything you need to know about what's going on in state governments with the stimulus. This was the brainchild of Chris Whatley, our Washington, DC office director but it includes the contributions of many of us from the headquarters office and the CSG regional offices as well.
- Senior Research Analyst Jennifer Burnett provided an update on CSG's Comparative Performance Measurement initiative in conjunction with the Urban Institute. She said a survey was sent out to all 50 states and CSG received responses from 31 in two areas, transportation and human services. The transportation survey is focused on performance outcome measures of road conditions, bridge conditions and safety measures. The initiative is just a pilot project. A final report is due soon.
- CSG has a full slate of policy briefs scheduled to come out this year as part of our Trends in America series. The Trends in America series comes in four varieties: 2-page Facts and Figures briefs which include a series of facts or talking points on the front and a 50-state chart on the back, 4-page Issue Briefs, 12-page Focus On briefs, and longer Primer reports. Among the issues in transportation that will be the focus of trends publications this year: public transportation, Smart Growth and sustainable cities, increasing public awareness of the costs of transportation and infrastructure, the impact of transportation on climate change and climate change on transportation, rural vs. urban transportation needs and cargo infrastructure Trends in America publications can be viewed at trendsinamerica-dot-org.

The Transportation Policy Task Force then adjourned.