

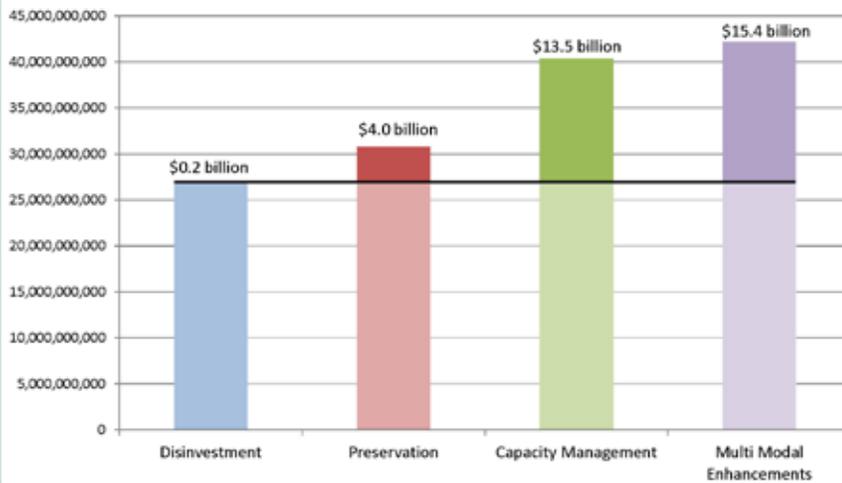


States Need a Partner – Wisconsin's 10-Year Outlook

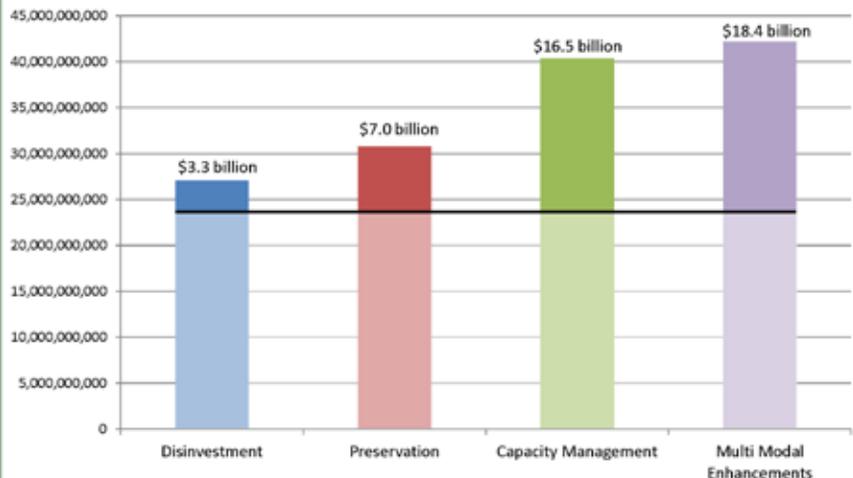
Under the best of likely scenarios, which includes continued federal support and state bonding at existing levels, Wisconsin will not even have enough revenue over the next ten years to tread water.

If Wisconsin has to rely on only currently enacted state and federal user fees, primarily the gas tax, prior investments may be lost.

**Revenue vs. Needs:
Most Revenue - \$26.8 Billion**



**Revenue vs. Needs:
Least Revenue - \$23.8 Billion**



Wisconsin is not alone.

States across the country are struggling to find a way to fund preservation of existing infrastructure and transportation services. And to add capacity and new services to meet the needs of businesses and communities.



Making a Plan, Building Consensus



As part of the 2011-13 state budget, the Wisconsin Legislature established the Transportation Finance and Policy Commission to examine issues related to the future of transportation finance in Wisconsin.

The commission is in the process of identifying transportation challenges and will evaluate possible solutions. Later this year, the commission will present its recommendations to the governor and legislature.

Issues likely to be addressed include:

- Ensuring adequate funds are available to preserve and maintain the current highway network while also making improvements that support the mobility needs of the state's population and economic growth
- Changing delivery of transportation services to address the state's changing demographics
- Determining the level of transportation services Wisconsin's citizens are willing to support
- Evaluating the need for a new revenue approach – acknowledging that while the gas tax continues to be the primary funding source for transportation, it will likely not grow with system needs
- Assessing the needs of businesses and citizens and how the current multimodal balance meets those needs

The commission has 10 voting members, many of whom are active in TDA. Wisconsin Department of Transportation Secretary Mark Gottlieb is a non-voting member and serves as chair. Commission members are serious about addressing the transportation issues impacting public safety and possibly capping economic growth in Wisconsin.

The state, with the federal government as a committed partner, will keep Wisconsin moving.

About TDA

From the buses in Racine to the Port of Green Bay to the rail lines in Superior to the Waukesha County Airport to the roads we use every day, Wisconsin's transportation network is the key to connecting goods to market and people to jobs.

Founded in 1971, the Transportation Development Association of Wisconsin promotes the vitality and safety of the state's transportation system, including public transit systems, public-use and general aviation airports, railroads, commercial ports, and roads. TDA's 400 members comprise business, labor, units of government, regional planning organizations, as well as individuals.

Transportation Development Association of Wisconsin

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Transportation in Wisconsin

Highways and Roads

- 11,800 miles of state and Interstate highways
- 103,000 miles of county highways, town roads and municipal streets
- 13,700 local and state bridges
- 59 billion vehicle miles of travel (VMT) on Wisconsin roads each year

Transit Systems

- 81 public bus and shared-ride taxi systems
- 70 million rides provided each year

Airports

- 131 public use airports, approximately 6,000 active registered aircraft
- 6.6 million people boarding commercial flights in Wisconsin and 119 million pounds of cargo shipped by air each year

Railroads

- 3,600 miles of track, of which nearly 600 miles are state-owned
- 180 million tons of cargo shipped on freight railroads each year
- The Hiawatha Service between Milwaukee and Chicago carries around 800,000 passengers each year

Harbors

- 23 commercial ports handle over 40 million tons of cargo each year

Bicycle and Pedestrian

- 11 percent of all Wisconsin trips are made by walking or bicycling

2012 TDA Fly-in
Summary of Positions

General

- Wisconsin, like other states, needs a partner. Any cuts in federal funding will shift more of the burden for providing transportation services to state and local governments.
- Transportation is the backbone of the U.S. economy.
- Investments in strategic programs and projects will allow the nation to better compete in the global economy.
- Cuts in transportation programs will lead to system inconsistencies and failures that will hinder the economic recovery today and stifle future growth.

Highways & Transit

- Act quickly. The Highway Trust Fund is projected to run short of funds in 2013.
- Authorize a reasonable surface transportation program. One that :
 - » At least maintains Wisconsin's current level of funding.
 - » Provides the kind of certainty necessary for long-term planning and investment.
 - » Maintains current account structure, trust fund firewalls and multi-year contract authority.
 - » Allows states flexibility to fund their share of transportation investment, including tolling of publicly owned new and existing lanes, congestion pricing and public-private partnerships.
 - » Streamlines the process, significantly reducing the cost to deliver projects.
 - » Permits small urban systems serving populations over 200,000 with fewer than 100 buses to be eligible to receive federal operating assistance.
 - » Takes into account the needs of more rural states like Wisconsin.
- Plan for the future. Neither of the bills that have been put forward to date offer any long-term solution on how to pay for the surface transportation program. TDA believes in the user-pays concept and urges Congress to facilitate a rapid transition to a user fee that is not dependent on the type of fuel powering the vehicle, possibly expanded tolling or a vehicle-miles-traveled fee.

Aviation

- TDA thanks Congress for passing a four-year aviation reauthorization, providing the kind of certainty necessary for long-term planning and investment.
- Appropriate up to the levels included in the recently passed reauthorization. Funding the Airport Improvement Program below the authorized levels will result in additional funding cuts to Wisconsin.

Ports, Harbors & Waterways

- Provide adequate funds in the 2013 Energy and Water Development Appropriations Bill to address the backlog of dredging projects at Wisconsin ports.

Continued on back

Executive Director Craig Thompson

Ports, Harbors & Waterways (continued)

- Support investment in our ports and inland waterways as an important part of a national freight policy.
- Support national standards for the treatment of ships' ballast water to prevent the introduction and spread of aquatic invasive species.
- Support legislation (H.R. 1533/S. 1964) exempting the movement of certain cargo from the U.S. Harbor Maintenance Tax as a means of encouraging the movement of freight from congested surface transportation systems to marine alternatives.
- Support legislation (H.R. 104/S. 412) to ensure that funds collected for harbor maintenance are spent for their intended purpose.

Freight Rail

- Preserve the Section 130 Highway-Rail Grade Crossing Safety Program.
- TDA supports a strong freight rail industry and encourages Congress to carefully consider any legislation that might jeopardize the growth of the industry and the role it plays in the economy.

Passenger Rail

- Oppose any cuts or changes to Amtrak funding that might jeopardize the future of the successful Hiawatha line.

2012 TDA Fly-in **Highways & Transit**

Background

Wisconsin relies on federal funding for approximately 25 percent of the state's overall transportation budget and for as much as 45 percent of the state highway improvement programs. The current multi-year surface transportation authorizing legislation, the Safe, Accountable, Flexible and Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) expired on September 30, 2009 and has been extended nine times. The current 90-day extension runs through June 30, 2012.

The Senate passed its 2-year, \$109 billion surface transportation reauthorization bill. The bill, Moving Ahead for Progress in the 21st Century (MAP-21), maintains current funding levels, with an inflationary adjustment, through September 2013. Under the bill, Wisconsin would receive an estimated \$741.3 million in highway contract authority in 2012 and \$753.9 million in 2013. That compares to \$780.8 million in 2011. Transit funding would average \$75.8 million a year, down \$14 million from 2011.

The House was unable to move forward on its five-year plan and is in the process of reworking the bill.

Trust fund revenues are insufficient to cover program expenditures, which necessitated \$35 billion in transfers from the general fund between 2008 and 2010 to keep the trust fund from being exhausted. Therefore, in order to maintain existing program levels without increasing the deficit or user fees, Congress will have to rely on "pay fors" or reductions in other spending to make up for the revenue shortfall. According to a recent Congressional Budget Office estimate, which assumes 2012 program levels plus inflation, the Highway Trust Fund will be unable to meet obligations in a timely manner sometime during 2013 (for the highway account) and 2014 (for the transit account).

TDA Position

- Act quickly. The Highway Trust Fund is projected to run short of funds in 2013.
- Authorize a reasonable surface transportation program. One that :
 - » At least maintains Wisconsin's current level of funding.
 - » Provides the kind of certainty necessary for long-term planning and investment.
 - » Maintains current account structure, trust fund firewalls and multi-year contract authority.
 - » Allows states flexibility to fund their share of transportation investment, including tolling of publicly owned new and existing lanes, congestion pricing and public-private partnerships.
 - » Streamlines the process, significantly reducing the cost to deliver projects.
 - » Permits small urban systems serving populations over 200,000 with fewer than 100 buses to be eligible to receive federal operating assistance.
 - » Takes into account the needs of more rural states like Wisconsin.
- Plan for the future. Neither of the bills that have been put forward to date offer any long-term solution on how to pay for the surface transportation program. TDA believes in the user-pays concept and urges Congress to facilitate a rapid transition to a user fee that is not dependent on the type of fuel powering the vehicle, possibly expanded tolling or a vehicle-miles-traveled fee.

2012 TDA Fly-in **Aviation**

Background

Wisconsin airports and their associated activities are assets to the communities that they serve generating approximately \$3 billion in economic activity annually and providing more than 41,000 jobs. Wisconsin's aviation industry accommodates about 6.6 million passengers and over 119 million pounds of cargo each year.

Federal funds make up approximately 70 percent of Wisconsin's aviation capital improvement program and are allocated to both commercial passenger service and general aviation airports. Wisconsin received on average more than \$60 million per year in Airport Improvement Program (AIP) funds under the last Federal Aviation Administration (FAA) authorization, which was continued under multiple short-term extensions after expiring September 30, 2007.

Earlier this year, the president signed a new bill reauthorizing FAA programs and related taxes through 2015. The reauthorization will provide \$63 billion, with an average funding level of \$15.9 billion per year. While the bill does roughly maintain existing funding levels, the Airport Improvement Program is frozen at \$3.35 billion per year, a level \$165 million lower than the amount at which the program had been funded for the previous six years. This reduction will likely result in Wisconsin receiving between \$50-\$55 million a year in AIP under the new legislation.

The FAA recently released its annual forecast projecting that airline passenger travel will nearly double over the next 20 years and cargo traffic will more than double. Beyond this current reauthorization, the U.S. needs to make the necessary investments in systems and airport capital projects to keep pace with the growing demand for aviation services.

TDA Position

- TDA thanks Congress for passing a four-year aviation reauthorization, providing the kind of certainty necessary for long-term planning and investment.
- Appropriate up to the levels included in the recently passed reauthorization. Funding AIP below the authorized levels will result in additional funding cuts to Wisconsin.

2012 TDA Fly-in
Ports, Harbors & Waterways

Background

Wisconsin's 23 commercial ports offer manufacturers and shippers a major transportation alternative many states cannot provide. Each year, Wisconsin ports handle over 40 million tons of cargo valued at over \$8 billion. According to a 2010 economic overview of Wisconsin's commercial ports published by the Wisconsin Department of Transportation, the state's ports support almost ten thousand jobs and annually generate more than \$1.6 billion in economic output and nearly \$462 million in personal income.

Increased federal investment is vital to maintaining and modernizing the U.S. water transport system, which includes ports and inland waterways. When the Water Resource Development Act of 2007 (WRDA) was enacted, it became the first such authorizing legislation since 2000. The act authorized \$23 billion and hundreds of water projects, including seven 1,200-foot locks on the Upper Mississippi and Illinois rivers and Soo Lock reconstruction. However, funding for these projects through the annual appropriations process has been slow to come.

TDA Position

- Provide adequate funds in the 2013 Energy and Water Development Appropriations Bill to address the backlog of dredging projects at Wisconsin ports.
- Support investment in our ports and inland waterways as an important part of a national freight policy.
- Support national standards for the treatment of ships' ballast water to prevent the introduction and spread of aquatic invasive species.
- Support legislation (H.R. 1533/S. 1964) exempting the movement of certain cargo from the U.S. Harbor Maintenance Tax as a means of encouraging the movement of freight from congested surface transportation systems to marine alternatives.
- Support legislation (H.R. 104/S. 412) to ensure that funds collected for harbor maintenance are spent for their intended purpose.

2012 TDA Fly-in **Freight Rail**

Background

The nation's freight rail network, with more than 140,000 miles of track, moves more than 2.2 billion pounds of commodities each year. Unlike roads, which are primarily publicly funded, most rail infrastructure is privately operated and maintained.

Wisconsin is served by 12 railroads including four major (Class I) railroads. Each year these railroads haul more than 180 million tons of cargo. Freight volumes in Wisconsin increased 26 percent from 1991 to 2000 and are projected to increase another 51 percent by 2020.

Since the 1980s and the Staggers Act, which significantly reduced government regulation of the industry, freight rail is:

1. More affordable. Average rail rates have dropped by half, resulting in billions of dollars of savings yearly for consumers.
2. Safer. Accident rates and employee injury rates have fallen by 75 percent. Rail's casualty rate is now the lowest in the transportation industry.
3. More productive. Rail's market share increased for the first time in decades. More and more shippers have chosen to ship by rail.
4. Growing. Railroads have invested more than \$460 billion in their own systems, to maintain and renew the nation's 140,000 miles of track.

Rail service provides a low-cost transportation alternative for the high volume, lower value commodities that are essential to many of Wisconsin's industries. The availability of rail service can be an important factor in retaining and attracting certain businesses.

Rail is an environmentally friendly, fuel-efficient form of ground transportation. Freight rail eases highway congestion as one intermodal train can carry 280 truck trailers – the equivalent of more than 1,000 automobiles on the roads. In addition, rail moves a ton of freight on average 480 miles on just one gallon of fuel and emits fewer pollutants than transportation by truck.

TDA Position

- Preserve the Section 130 Highway-Rail Grade Crossing Safety Program.
- TDA supports a strong freight rail industry and encourages Congress to carefully consider any legislation that might jeopardize the growth of the industry and the role it plays in the economy.

2012 TDA Fly-in **Passenger Rail**

Background

In Wisconsin, Amtrak's Hiawatha route offers an affordable and reliable option for those traveling the 85 miles between Milwaukee and Chicago. The Hiawatha has strong ridership and continues to earn one of the best on-time ratings among the Amtrak routes.

Wisconsin has supported the Hiawatha service financially since its start as a demonstration project in 1989. Wisconsin and Illinois contract with Amtrak to provide the service. Wisconsin pays 75 percent of the incremental operating costs and Illinois pays 25 percent.

Ridership on the Hiawatha has grown from less than 300,000 in 1989 to more than 820,000 in 2011. Service has also grown from two daily round trips in the beginning to seven daily round trips Monday to Saturday and six round trips on Sunday. The Hiawatha service is the sixth-most popular corridor for Amtrak.

TDA Position

- Oppose any cuts or changes to Amtrak funding that might jeopardize the future of the successful Hiawatha line.