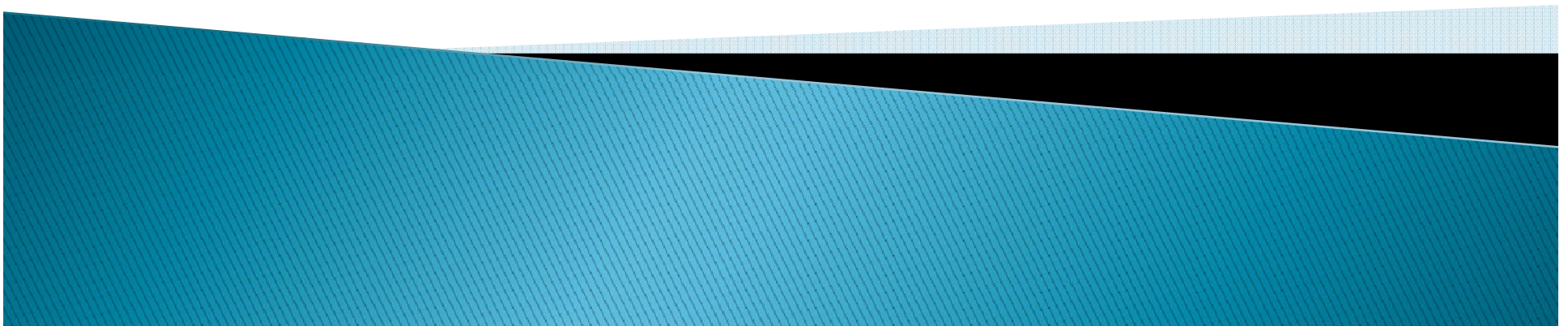


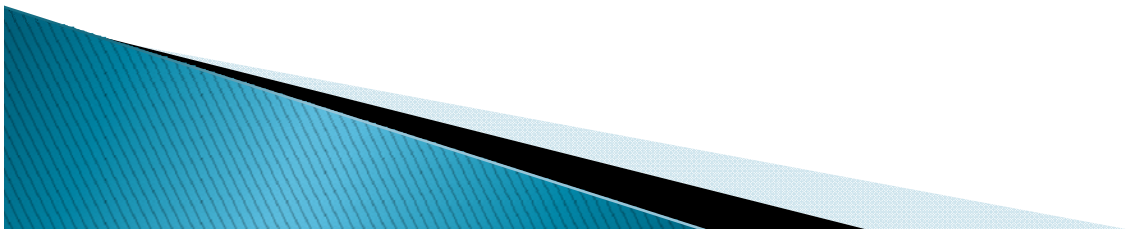
Transportation Outlook in the New Congress

Kathy Ruffalo
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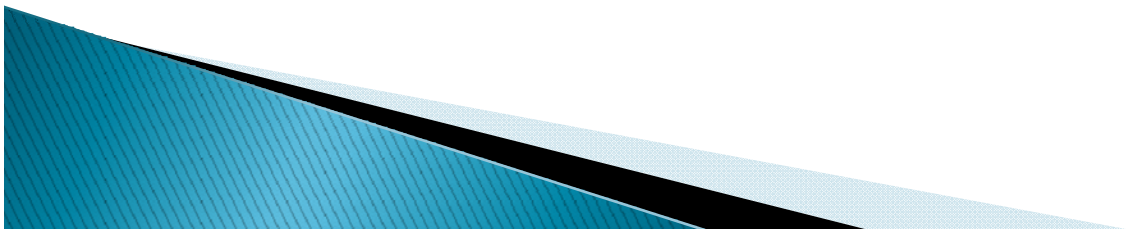
TOPICS

- ▶ Changes in Congress
- ▶ Political – budgetary environment
- ▶ Impact on authorization efforts
- ▶ Funding and financing options
- ▶ What can we do to impact the outcome?



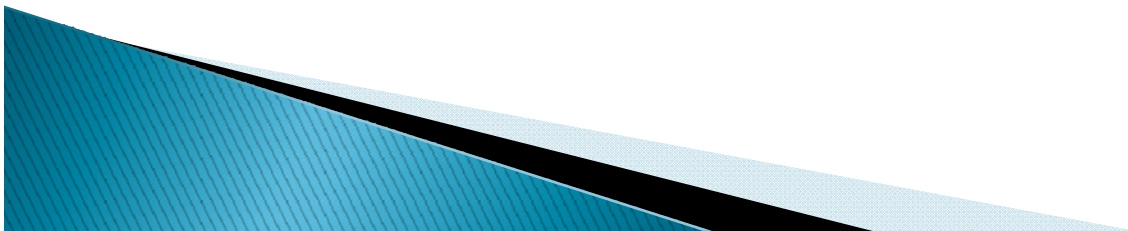
The New Congress

- ▶ Almost one-quarter of House of Representatives are freshmen
 - 85 new Republicans
 - 9 new Democrats
- ▶ More than one-third of the Senate has turned over since 2008
 - 16 new Senators elected in 2010 alone
- ▶ New leadership in key Committees



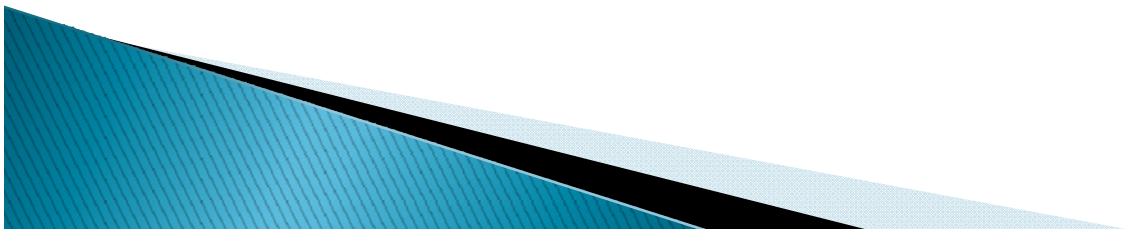
What does this mean?

- ▶ Both an obstacle and an opportunity
- ▶ Sell, sell, sell – need to educate new Members on importance of transportation investment
- ▶ Grassroots efforts more important than ever – but so is message



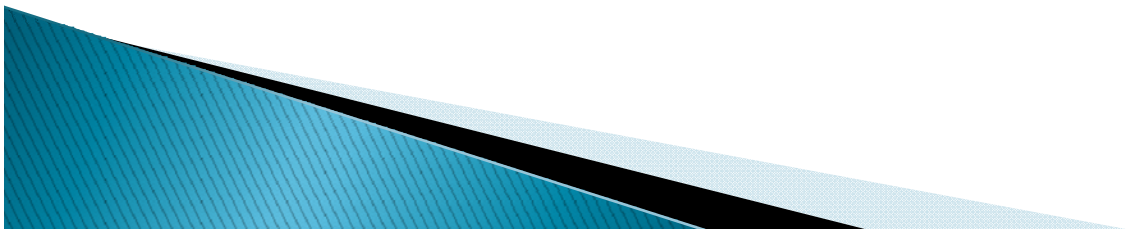
Political –budgetary climate

- ▶ Priority for both parties – jobs, jobs, jobs and deficit reduction
- ▶ Each side has different ideas on methods and scope of solutions



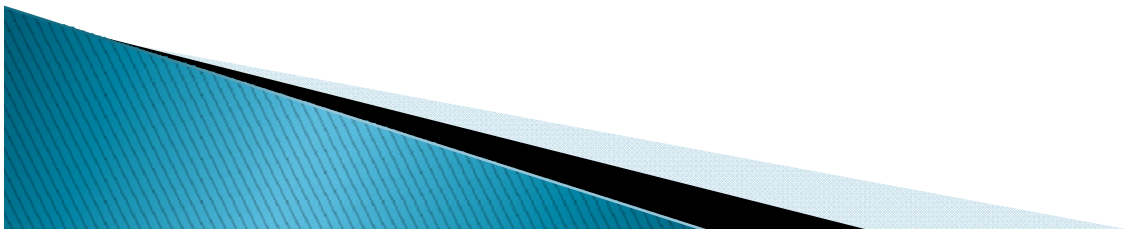
Things to watch

- ▶ Discussions surrounding “next” Continuing Resolution or CR
 - How big will spending reductions be – any rescissions?
 - How much will transportation have to contribute and from where?
- ▶ Raising the federal debt limit
- ▶ President’s FY2012 budget
- ▶ Budget Resolution for FY2012
- ▶ Impact of House Rules change
- ▶ Tax reform debate



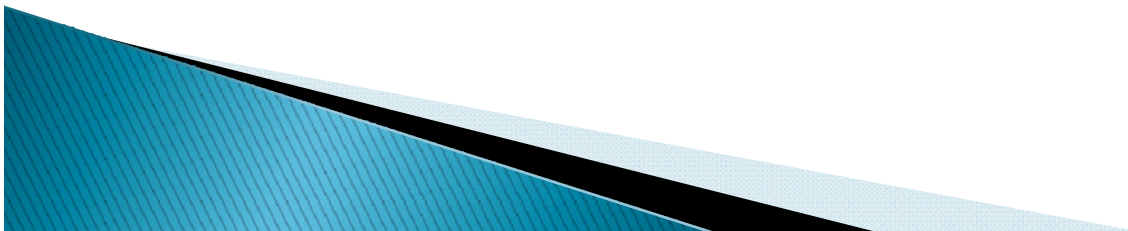
Where does authorization fit in?

- ▶ Good signals from House and Senate Committees
- ▶ But fundamental decision needs to be made – each will impact the scope and content of any legislation:
 - “Live within our means” for some period of time
 - Identify some combination of funding options to increase revenue



Don't tax you, Don't tax me, tax the man
behind the tree.....

Russell B. Long



Funding vs. Financing

Funding

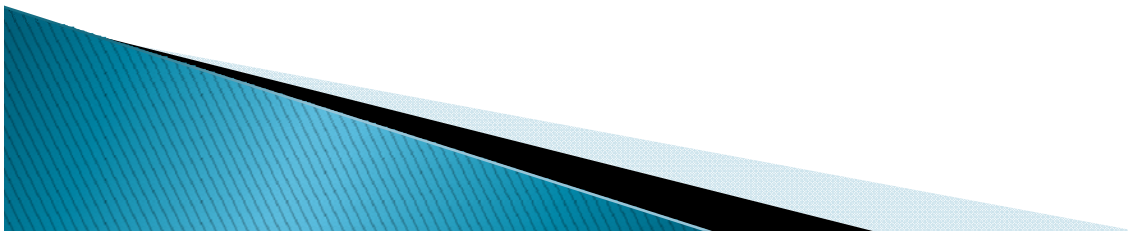
- ▶ Collection of taxes, fees, and other charges and the allocation of these revenues for transportation purposes

Financing

- ▶ Leveraging or upfront monetization of revenue streams



We don't have a financing problem in
this country.....we have a funding
problem



How to pay for it?

▶ Funding options

- Fuel excise tax – indexing
- Fuel sales tax
- Carbon tax, linked fee or pollution charge
- Heavy Vehicle Use Tax
- Imported oil fee
- Oil leasing fees
- Financial transaction tax
- Targeted freight fees
- Rescind stimulus funds?

- Long-term – VMT?

Funding – collection of revenues and taxes

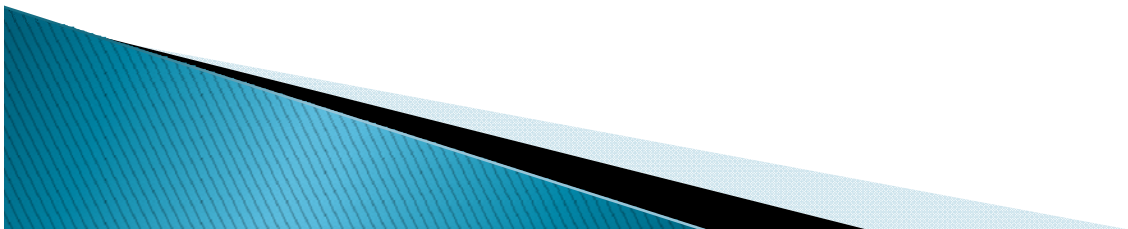
▶ Financing options

- National Infrastructure Bank or Fund
- TIFIA Expansion
- Build America Bonds
- Private Activity Bonds
- Tax credit bonds

Financing – leveraging or monetizing revenue streams

At a crossroads.....

- ▶ States, local governments, transportation industry and others need certainty and stability
- ▶ How can we make good policy be good politics?



Common Ground?

Outright strife

- ▶ Health care reform
- ▶ Financial-regulatory reform
- ▶ EPA Rule-making
- ▶ Education

Likely disagreement

- ▶ TARP
- ▶ Relief program extensions
- ▶ Economic stimulus

Possible agreement

- ▶ Spending
- ▶ Taxes
- ▶ Social Security
- ▶ Energy

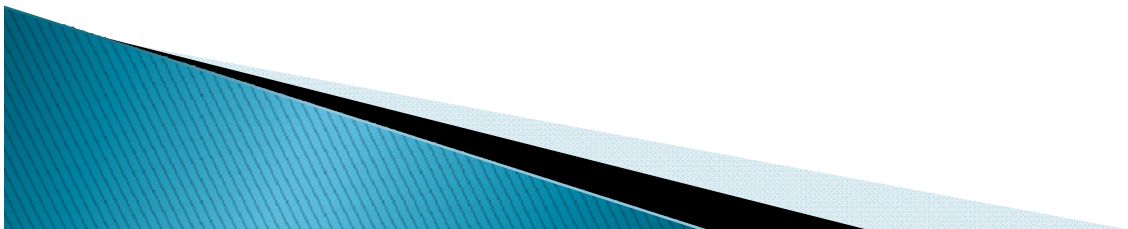
Likely compromise

- ▶ Transportation

Outright cooperation

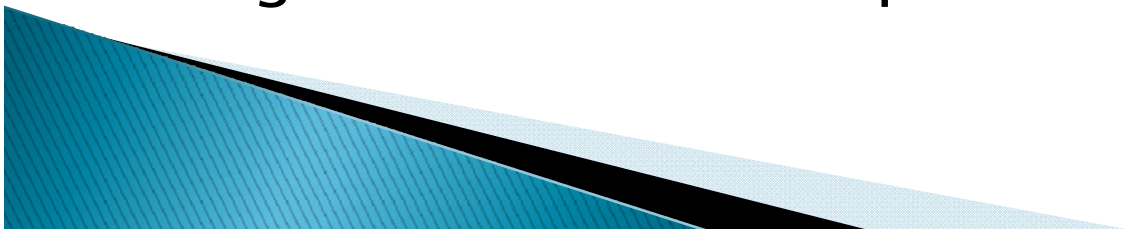
- ▶ Trade
- ▶ Afghanistan

Source: National Journal, Nov 6



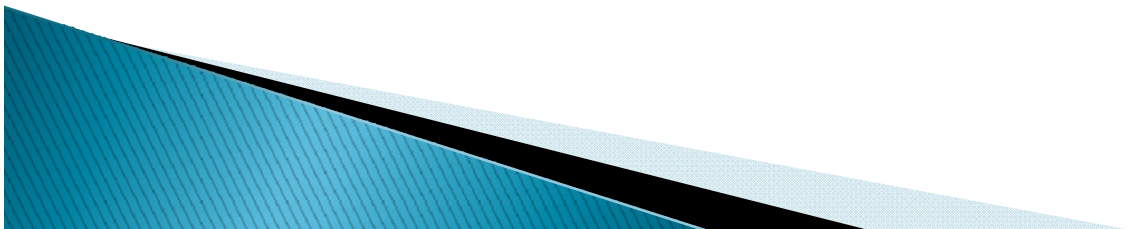
So.....what are the next steps?

- ▶ Chairman Mica has announced “listening sessions” across the country
 - House bill out of Committee in the Spring
- ▶ Senate EPW states desire to have bill out of Committee by Memorial Day
- ▶ President Obama’s FY2012 budget is released early February – expect an emphasis on transportation investment
- ▶ Expect Administration to have an authorization proposal by early Spring
- ▶ House and Senate Committees express desire for legislation to be completed by Fall of 2011



How can we prevail?

- ▶ Jobs, jobs, jobs and the deficit – make the case for increasing transportation investments
- ▶ Transportation improvements can improve commute, quality of life and promote economic growth – what are the benefits to increased funding and consequences without it?
- ▶ Need to stay engaged with local business and community leaders, along with local media
- ▶ Need coherent message
 - Crisis
 - Something needs to be done NOW
 - Federal government can be positive partner
 - Public needs to buy into program



So.....what can we do?

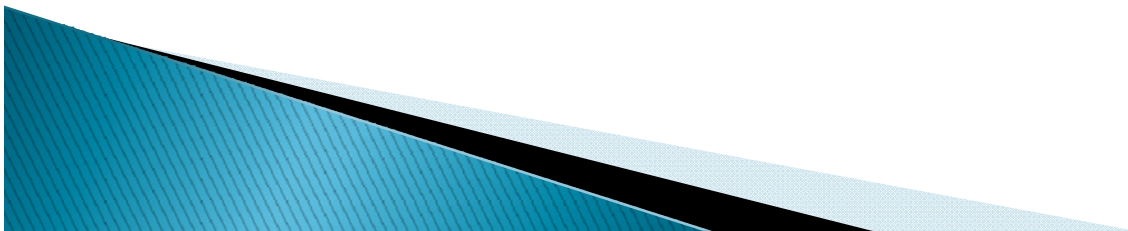
- ▶ Stop talking only to each other – big tent theory
- ▶ Grassroots – ground up, not top down
- ▶ Need to restore confidence in federal program – what are federal priorities – what is the federal role?
- ▶ Leave your comfort zone and get creative
- ▶ Need a consensus among stakeholders – division allows Congress to ignore us



Definition of Insanity

Doing the same thing over and over again and expecting different results.

Albert Einstein



Patience and Wisdom



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