Approved: 5/18/09
Date

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Senator Dwayne Umbarger at 8:45 a.m. on January 15, 2009 in Room 136-N of the Capitol.

All members were present.

Committee staff present:
Mike Corrigan, Kansas Office of the Revisor of Statutes
Hank Avila, Kansas Legislative Research Department
Jill Shelley, Kansas Legislative Research Department
Cindy Shepard, Committee Assistant

Conferees appearing before the committee:
Patrick R. Hubbell, Kyle Railroad

Others attending:
See attached list.

Chairman Umbarger welcomed everyone and introduced the committee and staff. Regular meetings are scheduled Tuesday through Fridays at 8:30 a.m. in room 136-N of the Capitol. The Senator stated this will be a busy session for the committee with the assigned task of drafting a new 10 year comprehensive transportation plan. We are currently waiting for staff summary of conferee testimony from the Interim Committee on a New Comprehensive Transportation Plan held in 5 cities across Kansas. In addition, the Transportation-Leveraging Investments in Kansas (T-Link) Task Force report will be completed soon and will be useful in assessing our future transportation needs.

Discussion followed about budget restraints, Federal Stimulus Plan, and the current sources of funding transportation. Chairman Umbarger announced a Joint Meeting with the House Transportation Committee on January 22, 2009 in room 143-N at 12:00 p.m., to hear a presentation from Deb Miller, Secretary of Transportation, State of Kansas.

Bill Introductions

Patrick R. Hubbell, representing the Kyle Railroad, requested the introduction of a bill that would amend K.S.A. 12-3412 regarding the clarification of the 1987 law concerning port authorities which was not intended to apply to lease-purchase agreements. Senator Brownlee moved, Senator Apple seconded, to introduce the bill. Motion carried.

Presentation on 2009 Issues on Transportation

Jill Shelley and Hank Avila, Kansas Legislative Research Department, provided the committee with a summary of information from the equivalent of a federal T-Link report on current transportation issues (Attachment 1). In addition, copies of the National Highway Traffic Safety Administration (NHTSA) Corporate Average Fuel Economy (CAFÉ) overview were distributed to the committee (Attachment 2).

- General Transportation Funding
- State Funding
- Federal Legislation Recently Enacted
- National Survey of Likely Voters
- Other Information

Hank Avila presented the committee with a report that he compiled last year, "Chronology of Selected Federal-State Highway Legislation and Highway Related Activity 1880-2008", available in the Kansas Legislative Research Department 48006~(10/22/8{1:56}).

The meeting was adjourned at 9:25 a.m. The next meeting is scheduled for January 21, 2009.

SENATE TRANSPORTATION COMMITTEE
GUEST LIST

DATE: 1-15-09

NAME	REPRESENTING
Matt Casey	GBA
Terry Heidner	KDOT
Tom Whitaker	KMCA
Pat Kuttler	Kyle
Matt Hoffman	Sen. Kultala
Jason Darland	Pinegar + Smith
Kari Presley	Kearney & Associates Inc.
Bob Totten	KS Contractors Assoc
Jean Miller	Capitol Strategies

2009

TRANSPORTATION ISSUES

Kansas Legislative Research Department
Room 010 West - State Capitol Building
300 SW Tenth Avenue - Topeka, KS 66612-1504
phone: 785-296-3181 web: www.kslegislature.org/klrd

2009 Issues on Transportation

The purpose of this document is to provide the reader with information on transportation funding; including general transportation, state, and other funding.

Recently enacted federal legislation and voter preference information also is included.

This information can be found in the following sections:

General Transportation Funding

State Funding

Federal Legislation Recently Enacted

National Survey of Likely Voters–April 2008

Other Information

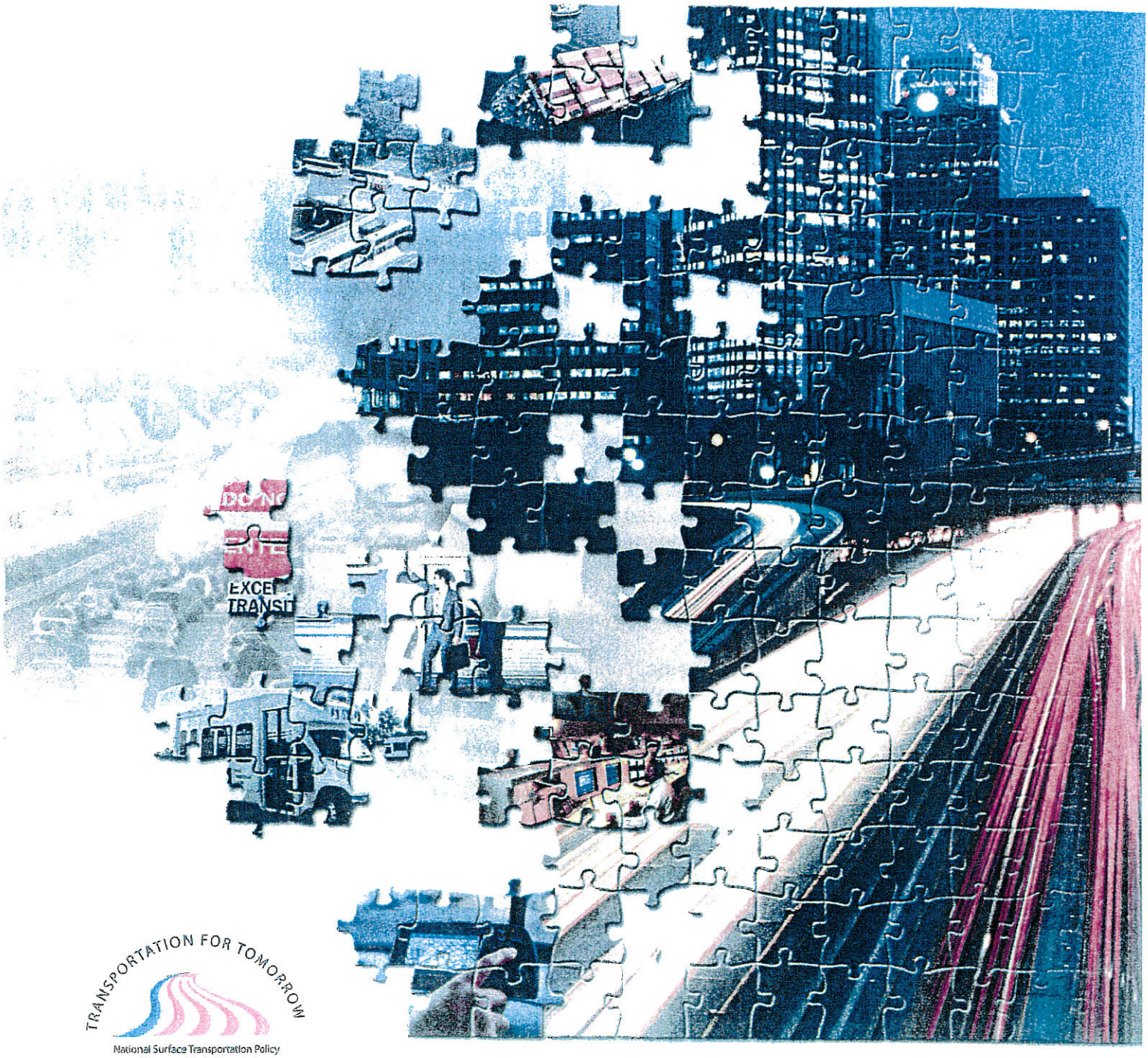
GENERAL TRANSPORTATION FUNDING

Report of the

National Surface Transportation Policy and Revenue Study Commission

Transportation for Tomorrow

December 2007



TRANSPORTATION FOR TOMORROW

National Surface Transportation Policy and Revenue Study Commission

Transportation for Tomorrow (KLRD summary)
Report of the National Surface Transportation Policy and Revenue Study Commission
issued January 15, 2008; available at http://www.transportationfortomorrow.org/final_report/; *196 pp.*

The vision adopted by this Commission is that the United States will create and sustain the preeminent surface transportation system in the world. (II, 1-4)

Transportation plays 7 key roles:
- Making goods more convenient and accessible
- improving international competitiveness
- developing markets within the U.S.
- enhancing personal mobility
- supporting national defense and homeland security
- determining the nation's energy use
- impacting health and safety

Mobility is a key factor in our quality of life. (II, 1-6)

Volume 1 - Recommendations
the need:
- nationally, at least $225 billion annually from all sources is needed for the next 50 years to upgrade the existing system to a state of good repair and create a more advanced surface transportation system to keep the country competitive in world markets; current spending is less than 40% of this
  - through 2020, this additional amount needed translates into a fuel tax increase of between $0.79 and $1.02 (the Commission does not think the fuel tax should be the only source of funding) (p. 6 has table of capital investment levels needed, by mode)
- elements of a best-practice system include
  - a cultural shift in personal transportation, with emphasis on transit and intercity passenger rail
  - projects that can be designed, approved, and completed quickly
  - transportation and land use policies that are well-coordinated
  - transportation financing that is not politicized (e.g., Congressional earmarks)

- Why
  - the nation's transportation system has been vital to the nation's preeminence in the world
  - current chokepoints present congestion (which wastes productive time), environmental hot spots, and potential trade barriers; freight volumes were expected to increase 70% from 1998 to 2020 (p. 17)
  - the U.S. is expected to add 150 million residents in the next 50 years, thus greatly increasing the need for transportation of both goods and people
  - inaction will cause the transportation system to further deteriorate and will decrease safety for those on the roads
  - the declining performance of the surface transportation network – as a result of both inadequate capacity and inefficient management – will choke economic progress, preventing the U.S. economy from growing to its full potential.
  - "Our families and firms can no longer tolerate excessive transportation constraints that waste our collective resources: time, money, fuel, clean air, and our competitive edge." (p. 7)

The Commission was established in the Safe, Accountable, Flexible, and Efficient Transportation Equity Act–A Legacy for Users (SAFETEA-LU) of 2005.
"The Commission concludes that the current Federal surface transportation programs should not be reauthorized in their current form." (p. 9) The nation's first modern transportation era built the interstate system; the second has been "Transportation Efficiency Act" era of allowing State and local officials to invest Federal highway dollars; the third should be one that is focused on "activities of genuine national interest" and mode neutral.
The first leg is accelerating the lengthy process by which transportation projects are delivered, saving both time and money. (p. 33)
"The Commission believes that it takes too long and cost too much to deliver transportation projects, and that waste due to delay in the form of administrative and planning costs, inflation, and lost opportunities for alternative use of the capital hinder us from achieving the very goals our communities set. ... [M]ajor highway projects take approximately 13 years to advance from project initiation to completion." (p. 11)
the average rate of inflation in highway construction costs averaged 7.2 percent a year from 2000 to 2006, as measured by the Federal Highway Administration's Bid Price Index
proposals to reduce delays:

- address redundancies in the National Environmental Policy Act environmental impact statement process, and allow issues to be handled in an integrated fashion, rather than only sequentially
- require greater cooperation among the USDOT and other agencies that must issue permits, e.g., the Army Corps of Engineers and the U.S. Fish and Wildlife Service (p. 14)

The second leg is consolidating the numerous investment categories of current law into a more focused, performance-based set of transportation programs related to objectives of genuine national interest.
proposes 10 new programs to replace the "dozens of separate highway and transit funding categories in SAFETEA-LU"

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
	108 programs

National plans to accomplish key national program goals would serve as the basis for apportioning funds to the States on a cost-to-complete basis (much as was done for the Interstate system). Those plans would be based on individual plans developed by each State and major metropolitan area and in conjunction with a wide range of public and private stakeholders. They would be coordinated with key environmental and energy objectives. (p. 15)
State and local performance standards would be the basis of the plans and would replace the short- and long-range plans currently required. Developing performance standards and

integrating them into a performance-driven regimen that would be applicable to all States and metropolitan areas will be a challenge since local conditions are so different, but the reward will be worth the effort. Current programs rarely link project performance to funding, and the economic justification for projects is seldom fully evaluated either before or after projects are implemented. The Commission's recommended approach of performance standards and economic justification would do much to restore public confidence in the transportation decision-making process. In such an environment, Congress and the public would be more amenable to agreeing to invest, whether through taxes or other user fees, to meet the nation's transportation investment needs. Only projects in the national plans would be eligible for federal funds.

10 programs (pp. 15-32) (more details on Vol. II, Ch. 6) (the Commission's recommendation for percentage of federal funding is included):

- 1. Rebuilding America: A National Asset Management Program. Objective: to put and keep the nation's infrastructure in a state of good repair in the most efficient and cost-effective manner possible. Asset maintenance would have to conform to nationally accepted standards, defined by USDOT in conjunction with State and local transportation agencies, and be independently audited. The USDOT would "roll-up" the individual State plans to develop a consolidated National Asset Management Plan; the investment costs developed in these plans would become the basis for future authorization requests to Congress. Reconstruction activities should be executed in a manner that also conforms to the goals of other plans. This program underlies all of the others. Federal funding: 80% of project costs.
- 2. Freight Transportation: A Program To Enhance U.S. Global Competitiveness. The Commission believes that the federal government must return to its historic role of ensuring that the transportation needs of interstate commerce are met. The Commission supports the creation and funding of a national freight transportation program what would ... implement highway, rail, and other improvements that eliminate chokepoints and increase throughput. USDOT, working closely with the full range of public and private stakeholders, would establish performance standards. Multi-state and state freight planning groups would use stakeholder-provided information to develop a consensus on future investments in major highways, freight railroads, waterways, ports and intermodal facilities. Freight plans should be closely coordinated with key environmental and energy policies to ensure compatibility. It will be important to standardize public benefit methodology to ensure private entities are neither subsidized nor required to pay for public benefits. Federal participation in individual projects: at least 80%.
- 3. Congestion Relief: A Program for Improved Metropolitan Mobility. The Commission recommends a distinct program to reduce congestion in metro areas of 1 million or more (about 60% of the U.S. population). USDOT would set mobility goals but first establish standardized measures of mobility (e.g., hours of delay per 100 vehicle miles traveled). Public transit would be important not only to congestion relief but also to reduce transportation energy consumption and air pollution. The Commission recognizes congestion fees (incentives for off-peak travel or use of a different mode) have potential to reduce improve system efficiency. It is expected that States would develop comparable mobility plans for smaller urbanized areas and coordinate those with plans of the larger metropolitan areas. In multi-state metropolitan areas, authority could be vested in a consortium of agencies through interstate compact. Federal funding: 80% of project costs.
- 4. Saving Lives: A National Safe Mobility Program. The Commission recommends a national plan for safety be developed that both informs investments in all other

transportation programs and leads to transportation investments undertaken purely for safety purposes, to reduce the number of fatalities by half by 2025. The U.S. fatality rate per 100 million vehicle miles traveled has declined from 5.3 in 1965 to 1.42 in 2006, but some developed countries have rates at 1.0 or lower. The plan should consider factors including highway improvements, safer environments for pedestrians and cyclists, stronger enforcement of safety laws, programs to reduce crashes caused by unsafe operators, and licensing requirements that take into account age and experience. Federal funding: 90% of project costs.

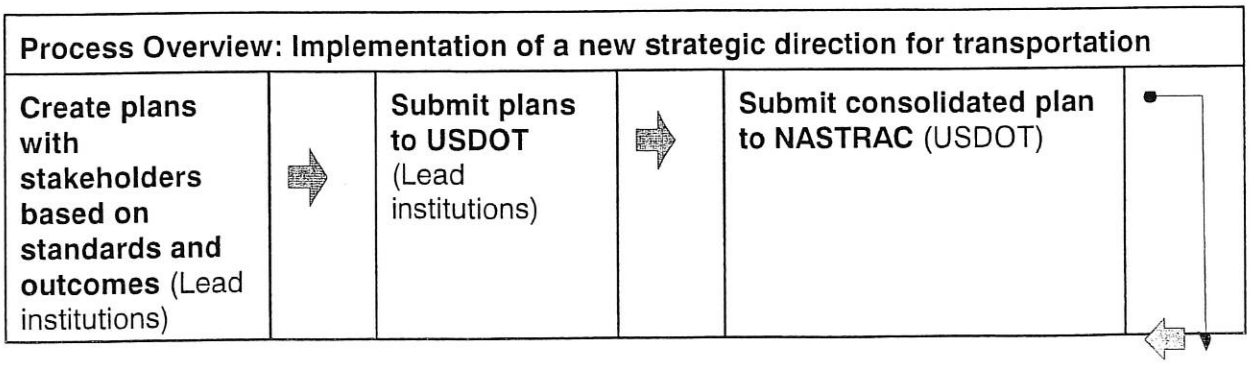
- 5. Connecting America: A National Access Program for Smaller Cities and Rural Areas. The nation has enormous interest in providing efficient transportation connections to natural assets and food production. The Commission concludes that there are inadequate highway connections to fully develop the nation's heartland communities. The Commission also concludes that public transportation in rural and small urban areas provides vital access to essential services for individuals who do not have access to automobiles. USDOT would develop standardized measures of access (e.g., all-weather access to agricultural sites by large trucks, mobility by at least one transportation mode available to all citizens) and national accessibility goals. Each state would develop state-specific performance standards. Federal funding: 80 percent of project costs.
- 6. Intercity Passenger Rail: A Program To Serve High-Growth Corridors by Rail. Passenger rail transportation is a key component of the Commission's vision for the future, and the nation should pursue the development of a fast and reliable rail passenger network. Key performance measures for the system would be reliable on-time performance, congestion mitigation, safety and environmental benefits, and reduced energy use. Passenger rail consumes 17 percent less energy per passenger mile than air carriers and 21 percent less energy per passenger mile than automobiles. Investment must ensure that both passenger and freight needs can be accommodated; public and private sectors must work together. Federal funding: 80 percent of project costs, primarily for capital costs, on a cost-to-complete basis.
- 7. Environmental Stewardship: A Transportation Investment Program to Support a Healthy Environment. Environmental impacts of transportation go far beyond transportation facilities. The Commission believes that an Environmental Stewardship Program should be established and authorized at a level equivalent to 7 percent of the total funding for the Federal surface transportation program, approximately 2 percent more than the current share. Program funds would be distributed to the States on a per-capita basis, with at least 10 percent of the spending required in each of four categories: air quality, vehicle retrofits, transportation enhancements, and mitigation such as "banking" open space. Federal funding: up to 80 percent
- 8. Energy Security: A Program to Accelerate the Development of Environmentally-Friendly Replacement Fuels. The Commission recommends that a distinct transportation energy research and development program be authorized in conjunction with ongoing research programs of the U.S. Department of Energy to address these goals, at a level of $200 million annually over the next decade. The Commission recommends that Congress establish an accelerated tax credit program and a revolving loan program to encourage early investment in alternative fuels.
- 9. Federal Lands: A Program for Providing Public Access. Of the 2.3 billion acres in the United States, the federal government has title to about 650 million acres (30 percent). Visitation to these lands has increased significantly. The Commission believes the federal government should continue to be responsible for transportation access to this federal property. Multiple federal agencies must work together to develop appropriate

performance standards and goals. No state matching share.

- 10. Research, Development, and Technology (R,D&T): A Coherent Transportation Research Program for the Nation. The Federal government has the resources to undertake and sustain large-scale, high-risk, long-term research that is cost-prohibitive for small private and public sector organizations, and it is best suited to monitor the vast scope of research activities underway, targeting funds to research gaps. The Commission recommends that dedicated Federal funding of RD&T be provided, and that this funding be subject to careful planning and review by the transportation industry. USDOT should work with the modes, industries, and stakeholders in the nation's research community, such as the Transportation Research Board and institutions of higher learning, to establish performance measures and goals for a National RD&T plan. The Commission recommends that an important goal for research under the National RD&T plan should be to improve the Nation's ability to measure project performance data. No state matching share.

USDOT will need to take an active role in consolidating these separate plans into a national strategic plan.

The third leg involves creating an independent National Surface Transportation Commission (or NASTRAC) to oversee development of a national strategic plan for transportation investment and to recommend appropriate revenue adjustments to the Congress to implement that plan.
(starts on p. 34)
would be similar to the Base Closure and Realignment Commission (BRAC) and the Postal Regulatory Commission. These two commissions were created by Congress to de-politicize difficult policy actions—closing military bases and raising postal rates. Many states have created transportation commissions independent of the Legislature to oversee statewide transportation planning and project selection. A related State model is the public utility commission. NASTRAC is also intended to strengthen public confidence that tax dollars are being wisely invested, and that those investments will produce not just good projects but better performance. The proposed part-time Commission would have 10 members appointed by the President and approved by Congress (and including the Secretary of Transportation); members would have staggered two-year terms; it would have its own independent staff and could hire consultants; Congress could only veto its revenue recommendations, without amendments, with a 2/3 majority, within 60 days of receiving the recommendations; if no actions were taken, the recommendations would become law. The Commission would oversee the USDOT-led process on performance standards; would help ensure that only economically feasible projects that fit into national plans are approved; would have authority to adjust the federal share to reward innovative projects and reduce federal funding to grantees that fail to meet objectives; and ensure federal resources are not substituted for State and local moneys.



Allocate funds to projects (State and local governments)	⇦	**Act on NASTRAC revenue recommendations** (Congress)	⇦	**Approve national strategic plan and develop revenue recommendations** (NASTRAC)	

The Commission endorses changes in the structure of the USDOT that would reinforce the functional orientation of the 10 new recommended programs rather than the current modal orientation. (p. 37) The Commission envisions the new processes as a substitute for current processes, rather than as an overlay on top of them. Given the scope and scale of the changes, the Commission recognizes that issues such as dealing with projects already in the pipeline will need to be given prompt attention.

p. 38 The financing question does not stand alone but is fundamentally tied to the underlying policy questions. Simply raising the Federal fuel tax and putting more money into the same programs will not be acceptable. The Commission strongly believes that, before Federal financial support for surface transportation is increased, the Nation's surface transportation programs must be fundamentally reformed.

How to pay the bill (starts on p. 39)

The absolute level of Federal funding ultimately should be tied to what is necessary to achieve national goals.. In the last decade, the annual Federal share of total highway capital investment has ranged from 37 to 46 percent. **The Commission recommends that, in the short term, the Federal government should contribute approximately 40 percent of total surface transportation capital outlay in line with the Federal share in recent years**. Personal and commercial travelers should pay for the transportation systems and services they use in proportion to the costs associated with their use. Fuel taxes represent almost 90 percent of total Highway Trust Fund revenues. Among the attributes that make fuel taxes particularly attractive sources of surface transportation revenues are their (1) low administrative and compliance costs, (2) ability to generate substantial amounts of revenue, (3) relative stability and predictability, and (4) ease of implementation. A limitation of the fuel tax is that it is not responsive to increasing construction costs when levied on a per gallon basis. That weakness can be remedied by indexing the tax to inflation. The Commission **recommends that the Federal fuel tax be increased from 5 to 8 cents per gallon per year over the next 5 years, after which it should indexed to inflation.** The exact tax rate required within this range would be confirmed by the strategic planning process and the new commission described above. (Each cent of fuel tax raises almost $2 billion) When adjusting federal fuel tax rates, the Commission recommends that tax rates on existing federal truck taxes be adjusted proportionally to maintain the current allocation of highway cost responsibility.

In addition to the fuel tax, the Commission recommends additional types of fees (starts on p. 41):

- The Commission believes that the "user pays" philosophy should extend to the transit program. **Therefore, the Commission recommends that a Federal ticket tax be levied on all transit trips to supplement revenues from the Federal fuel tax and General Fund.**
- The Commission recommends that a Federal freight fee help finance freight-related improvements as part of an overall freight program. Congress should create an accountable and transparent programmatic linkage between an assessed freight fee and the selection and funding of projects that facilitate increasing volumes of primarily trade-driven freight.

The payers of such a fee must realize the benefit of improved freight flows resulting from projects funded by the freight program.

- The Commission recommends that a portion of Customs duties be dedicated to help pay the costs of freight-related improvements. If 5 percent of Customs duties were dedicated to freight transportation improvements, revenues would be approximately $1.8 billion per year, which is equivalent to a fuel tax increase of about 1 cent per gallon.
- The railroads have indicated that anticipated future revenues will be inadequate to allow them to privately finance all capacity improvements required to maintain their current market share of freight traffic. To help them make the capital investments that will be required to move the increasing volumes of goods, freight railroads have proposed that a 25 percent Federal tax credit be granted for investments to expand capacity. They have also proposed that they be allowed to expense capital expenditures since other modes can expense their Trust Fund payments. **The Commission recommends that a Federal Investment Tax Credit be granted to transportation facility owners for freight capacity expansion.** The net effect is that project return would increase by 3 percent to 4 percent, making the expansion investment more likely.
- The Commission proposes three sources of Federal funding for intercity passenger rail service: (1) ticket surcharges, (2) highway user revenues, and (3) Federal general fund revenues as are used for some transit programs. To implement the new Intercity Passenger Rail Program, the Commission recommends initial Federal funding of $5 billion per year for grants to States, Amtrak, or other competitive service providers.

(Vol. 2, pp. 5-20 and 5-21 list funding mechanisms and estimated revenues to be generated)

The state and local share of additional investment requirements could range between the equivalent of 36 and 62 cents per gallon of fuel tax. This range could vary considerably among individual states depending on several factors, including their share of overall investment requirements and the extent to which they have the ability to use and choose to use other revenue sources.

Surface Transportation Finance Through 2025: Remove the Barriers to Options for Increasing State and Local Revenues Over the Next 20 Years

- Increase State fuel taxes and other highway user fees. Indexing the fuel tax or converting to a gasoline sales tax would allow revenues to increase with rising highway construction costs.
- **The Commission recommends that Congress remove certain barriers to tolling and congestion pricing.** The Commission believes that increased tolling and pricing must be part of the overall solution if we are to indeed create and sustain the pre-eminent surface transportation system in the world. **First, the Commission recommends that flexibility be given to use tolls to fund new capacity on the Interstate System, as well as the flexibility to price the new capacity to manage its performance. And second, the Commission recommends that flexibility be given to implement congestion pricing on the Interstate System, on both new and existing capacity, in metropolitan areas with populations greater than 1 million.** Attention must be given to effects on users with no real choices, potential discrimination against any given set of travelers (e.g., interstate carriers), and effects of potential diversion to other routes. **The Commission also recommends that Congress promote the use of a nationwide, uniform system of electronic tolling so that toll collection does not become a burden on interstate travel and commerce.**
- **Encourage the use of public-private partnerships (PPPs), including concessions, for highways and other surface modes.** PPPs can supply revenues but also can (1) prioritize projects that generate the highest returns, (2) improve life cycle investing, and

(3) provide incentives for more efficient operations and maintenance. About 40 percent of the States (not including Kansas, according to this report, but including Missouri and Colorado) have statutory authority to enter into significant public-private partnerships. (Model legislation is available at http://www.fhwa.dot.gov/ppp/legislation.htm) The FHWA uses the term "public-private-partnership" for "any scenario under which the private sector assumes a greater role in the planning, financing, design, construction, operation, and maintenance of a transportation facility compared to traditional procurement methods." (from the website listed above) Transparency should be a key element in all aspects of the process and the arrangement, including all terms and conditions in the agreement. The report lists some elements to be included in agreements, such as what happens if the private partner does not fulfill all conditions. Note: The Commission has explicitly rejected the use of rate-of-return regulation for public-private partnerships.

The Transportation Research Board is among those issued recently examining alternatives to the fuel tax. The TRB report reaffirmed the viability of the fuel tax to serve as the cornerstone of the nation's transportation financing system through 2025, provided that political resistance to adjusting the rate can be overcome. The report also said that road use metering and mileage charging appear to be the most promising approach to reform that will generate revenues to cover the cost of an efficient program in a fair and practical manner. 5-33 Three major studies identified forms of a vehicle-miles-traveled fee as the preferred alternative from among a number of other options. Some questions about it are being addressed in pilot projects being conducted by Oregon, Washington State, and the University of Iowa. One of the potential strengths of a mileage-based fee is that it could readily be converted to a congestion pricing charge or a weight-distance fee that would better reflect the impact of the vehicle on road wear and tear. Another advantage is that it doesn't depend on the type of fuel, e.g., electric. Still, there are a number of technological issues to be resolved. Phasing it in could take as long as 20 years. The Commission recommends that the next surface transportation act should fund a major national study to develop a strategy for transitioning to an alternative to the fuel tax to fund highway and transit programs.

To emphasize the multimodal nature of future programs, the Commission recommends that the name of the Highway Trust Fund be changed to the Surface Transportation Trust Fund (STTF). Funds deposited to the STTF should continue to be dedicated to surface transportation purposes, budgetary firewalls shold continue to guarantee annual spending levels from the SGGF, and a mechanism should be retained similar to Revenue Aligned Budget Authority (RABA) to adjust spending levels based on the latest estimates of available revenues.

Barriers to achieving these reforms:
ineffective investment decisions:

- lack of performance standards - current federal programs are essentially block grants
- congressional earmarking, under SAFETEA-LU, up to 11% of authorized level spending
- lack of requirements for investment analyses such as benefit-cost analysis
- "stovepipes" that prevent State and local agencies from implementing the most efficient solutions
- insufficient delegation from the State to local agencies
- federal regulations to limit tolling on interstate highways
- institutional arrangements that constrain effective intermodal planning, linkages between transportation and land-use decisions, and the effective use of operational strategies.

Reforms to address problems in the project development processes

Given the scope and scale of these changes, the Commission urges Congress to pay particular attention to several **transition issues** that will need to be address in the early phases of implementing the recommendations, including dealing with projects in the development pipeline so these projects can continue to advance in a timely manner; carrying out existing or pending federal financial commitments; and authorizing USDOT to obligate federal funds to a limited number of new projects and activities that are clearly in the national interest, prior to the completion of the performance-based planning process to be overseen by NASTRAC.

Exhibit 5-20. Evaluation of potential transportation revenue sources against generally accepted evaluation criteria

	Revenue Adequacy	Stability/ Predict-ability	Respon-siveness to Inflation	Flexibility	Appropri-ateness of Dedication	Com-pliance Costs	Admin-istrative Costs	Equity by Vehicle Class	Equity by Income Group	Equity by Geography	Relation-ship to Economic Efficiency	Point of Taxation and Incidence	Evasion Potential	Ease of Implemen-tation	Average
Fuel Tax															
Indexed Fuel Tax															
Motor Fuel Sales Tax															
Value Added Tax															
Registration Fee															
Personal Property Tax															
Vehicle Sales Tax															
Traditional Tolls															
Tolling New Lanes															
Tolling Existing Lanes															
VMT Fees															
Indexed VMT Fees															
Congestion Pricing															
Local Option Sales Tax															
Impact Fees															
Innovative Finance*															
Public-Private Partnerships*															
Container Fees															
Customs Duties															

* Assumes repayment from tolls

Legend: Excellent, Very Good, Good, Not Good, Poor, Very Poor

This chart provides a subjective evaluation of a series of alternative revenue sources against a set of criteria.

Source: Commission Staff analysis.

Exhibit 5-21. Advantages and disadvantages of alternative revenue sources

Motor Fuel Taxes, Excise Tax (per Gallon)	
Source and History	Motor fuel taxes have been the most important revenue mechanism for highway programs at the Federal and state levels. Most states have traditional "cents per gallon" excise taxes on the highway use of motor fuel. Some also have variable rates based on an inflation adjustment or a fuel price. Several alternative fuels currently are taxed on an energy equivalent basis to gasoline or diesel. Fuel taxes also support transit programs at the Federal level and in some states.
Yield, Adequacy and Stability	Historically motor fuel taxes have been attractive because of their high yield (currently about $1.9 billion per penny of tax at the Federal level), their adequacy to support highway construction programs, and their stability. In recent years the adequacy of the fuel tax has come into question because it does not increase with inflation and because voters at all levels of government have been less willing to approve fuel tax increases
Cost-Efficiency and Equity	Motor fuel taxes are inexpensive to administer and have low compliance costs. Evasion has been a major issue, especially for diesel fuel, but states and the FHWA have reduced evasion levels. Motor fuel taxes at rates sufficient to fund all needs would not add enough to fuel prices to significantly impact travel volumes. Fuel taxes vary with highway use, but this relationship will become less direct as we move toward more fuel efficient vehicles and greater use of alternative fuels. Raising fuel taxes without at the same time raising truck taxes reduces the equity of the overall highway user fee structure because trucks would pay a lower share of their overall highway cost responsibility.
Economic Efficiency	Motor fuel taxes are not economically efficient because they do not vary as the cost of travel increases. They do vary with vehicle fuel efficiency, but the decline in fuel efficiency when vehicles operate in congested traffic does not reflect the full costs of travel in congested conditions.
Potential Applicability at Program or Project Level and by Different Levels of Government	Motor fuel taxes are applicable to financing programs of improvements, but not individual projects. All levels of government can and do impose motor fuel taxes. Recent studies suggest the fuel tax will be a viable revenue source for highway and transit programs for at least 15 to 20 years, but after that moves to alternative fuels and more fuel efficient vehicles will increasingly erode the ability of the fuel tax to serve its current role as the major revenue source for Federal and State highway programs.
Potential Acceptability	About 20 States have increased their fuel taxes since 2000, but the general aversion to tax increases has made it difficult to increase fuel taxes. The Federal tax has not been increased since 1993. High fuel prices make it even more difficult to raise fuel taxes, even though the tax represents a smaller share of the total price of fuel when prices are high.
Implementation Issues and Potential Strategies to Overcome Barriers	Based on history, adjustments through legislation to the motor fuel excise tax have been the method of choice in most states for major new funding resources to fill funding gaps for state highways. Flat rate fees per gallon have not been adjusted fast enough to keep pace with needs. Motor fuel taxes may be higher per gallon in some States than in neighboring states. Opponents of fuel taxes generally raise the issue of diversion of purchases to neighboring states with lower tax rates.

Exhibit 5-21. Advantages and disadvantages of alternative revenue sources, continued

Motor Fuel Taxes - Indexing of Fuel Taxes	
Source and History	About 5 States currently index their fuel tax to some measure of inflation.
Yield, Adequacy and Stability	The yield and adequacy of motor fuel taxes could be enhanced by indexing to inflation or, in some cases to fuel prices. They could also be indexed to needs estimates or to construction prices, making it responsive to anticipated program costs.
Cost-Efficiency and Equity	Motor fuel taxes by themselves are not equitable among vehicle classes, since the largest vehicles pay less in fuel taxes relative to the costs imposed on highways
Economic Efficiency	Indexing the fuel tax does not make the tax more economically efficient.
Potential Applicability at Program or Project Level and by Different Levels of Government	Indexing the fuel tax does not affect its applicability.
Potential Acceptability	Many argue that simply indexing the fuel tax to some measure of inflation does not constitute a tax increase and thus is more acceptable than a tax increase. Others disagree and say that changes due to indexing are tax increases.
Implementation Issues and Potential Strategies to Overcome Barriers	A ceiling and floor on the change in the indexed rate may be desirable to prevent large changes in tax rates. Many see indexing as just a backdoor way of increasing the fuel tax.
Motor Fuel Taxes - Sales Tax on Fuel	
Source and History	Several States impose a tax on the sales price of fuel.
Yield, Adequacy and Stability	A sales tax on fuel is likely to be more volatile, but could be subject to limits in terms of the maximum or minimum or the rate of change each year.
Cost-Efficiency and Equity	Motor fuel taxes are mildly regressive among income groups. Basing the rate on the sales price of fuel would make them more regressive.
Economic Efficiency	Basing the fuel tax on the price of fuel rather than on a gallonage basis would not improve the efficiency of the tax.
Potential Applicability at Program or Project Level and by Different Levels of Government	Basing the fuel tax on the price of fuel rather than on a gallonage basis would not affect its applicability.
Potential Acceptability	The volatility of fuel prices would adversely affect the public acceptability, especially when fuel prices are rising.
Implementation Issues and Potential Strategies to Overcome Barriers	Sales taxes on fuel have recently been of greater interest due to the increase in fuel prices

Exhibit 5-21. Advantages and disadvantages of alternative revenue sources, continued

Other Types of Petroleum Taxes	
Source and History	
Yield, Adequacy and Stability	Other types of motor fuel taxes could be utilized.
Cost-Efficiency and Equity	
Economic Efficiency	Other types of petroleum taxes would be no more efficient than the current tax.
Potential Applicability at Program or Project Level and by Different Levels of Government	Fuel taxes by their nature are applicable only at the program level.
Potential Acceptability	Pennsylvania has an oil company franchise tax to collect fees on petroleum fuels.
Implementation Issues and Potential Strategies to Overcome Barriers	Some believe that petroleum taxes have more voter appeal because of a perception that they are imposed on petroleum companies rather than on individual drivers; however, such taxes are normally passed through to drivers the same as other types of motor fuel taxes.
Value Added Tax	
Source and History	The U.S. is one of the few countries that does not have a value added tax. The tax is similar to a sales tax, but is levied at every stage in the production process, not just on final consumption as the traditional sales tax.
Yield, Adequacy and Stability	The yield could be high and would be fairly stable, fluctuating with changes in the national economy.
Cost-Efficiency and Equity	Administrative costs would be higher than for the fuel tax since there are many taxpayers and considerable documentation involved. This potentially could also make it subject to evasion.
Economic Efficiency	The economic efficiency would not be as great as the fuel tax since a VAT would not directly reflect transportation requirements or use.
Potential Applicability at Program or Project Level and by Different Levels of Government	The VAT could be applicable to general transportation purposes. It would be applicable to financing programs of transportation improvements, but not individual projects. It almost certainly would be limited to the national level.
Potential Acceptability	Like any new tax it would face opposition from taxpayers and from businesses.
Implementation Issues and Potential Strategies to Overcome Barriers	A general VAT has been discussed for many years, but rejected. Estimating just the value added by transportation could be difficult.
Registration and Other Vehicle Fees	
Source and History	All states have traditional types of registration fees for light vehicles and somewhat higher and graduated fees for heavy vehicles. At the Federal level the Heavy Vehicle Use Tax is similar to a registration fee but it applies only to the heaviest trucks.

Exhibit 5-21. Advantages and disadvantages of alternative revenue sources, continued

Registration and Other Vehicle Fees, continued	
Yield, Adequacy and Stability	Registration fees provide major revenue sources for states and local governments (through state allocations) and must be adjusted through legislation. In addition to adjusting rates, other options include revising the type of registration fee.
Cost-Efficiency and Equity	Registration fees are relatively inexpensive to administer in relation to potential yield, but not as inexpensive as fuel taxes. The fact that registration fees do not vary by miles traveled is a major source of inequity and inefficiency. Registration fees allow for collections from vehicles using alternative fuels without establishing new mechanisms for collection.
Economic Efficiency	Registration fees can be varied by vehicle size and can be set in rough relation to highway cost responsibility, except for the impacts of different mileage by similar sized vehicles. Thus for trucks they may be somewhat more efficient than fuel taxes, but for passenger vehicles they likely are less efficient because they do not vary by mileage and they do not capture costs of congestion.
Potential Applicability at Program or Project Level and by Different Levels of Government	Like fuel taxes registration fees are applicable at the program level, but not the project level. The federal Heavy Vehicle Use Tax is similar to a registration fee and all States have registration fees.
Potential Acceptability	Registration fee adjustments are promising as both a short- and long-term option for funding highways.
Implementation Issues and Potential Strategies to Overcome Barriers	Equity among vehicle classes would indicate that parallel adjustments in registration fees should be made applicable to all vehicles.
Registration Fees Based on Value - Personal Property Taxes	
Source and History	A registration fee based on value can be structured as a personal property tax and be deductible from Federal income.
Yield, Adequacy and Stability	A fee on the value of a vehicle could raise substantial revenue, and could be structured to be deductible for Federal income tax purposes, thus increasing the state's revenue yield without an equal increase in net total tax payments.
Cost-Efficiency and Equity	Registration fees for light vehicles, if collected on a flat basis, are somewhat regressive by income class. Registration fees for light vehicles on the basis of value are progressive.
Economic Efficiency	Basing registration fees on value could improve their efficiency somewhat since newer vehicles tend to be driven more than older vehicles.
Potential Applicability at Program or Project Level and by Different Levels of Government	Levying fee on the basis of a vehicle's value would not change the overall applicability of registration fees.
Potential Acceptability	Registration fees (in actuality, personal property taxes on vehicles) based on value have the best revenue generating potential and are less costly to taxpayers in the state.
Implementation Issues and Potential Strategies to Overcome Barriers	Some states have recently eliminated or reduced such fees despite their advantages in comparison to collecting other state taxes that are not deductible for federal income tax purposes.

Exhibit 5-21. Advantages and disadvantages of alternative revenue sources, continued

Sales Taxes on Vehicles	
Source and History	The Federal Government and many States have sales taxes on vehicles. The Federal tax applies only to heavy trucks, but formerly had been applied to all vehicle sales.
Yield, Adequacy and Stability	Sales taxes on vehicles can be useful revenue sources. They can bring in relatively large amounts of money but their stability is threatened by trends toward the purchase of smaller, more fuel efficient vehicles that cost less than large cars and SUVs.
Cost-Efficiency and Equity	Sales taxes on vehicles will be fairly progressive. Administrative costs are relatively low, but especially with trucks there are issues concerning what specialized equipment should be exempt from taxation.
Economic Efficiency	Sales taxes do not vary with the amount of travel or other factors that affect the costs of travel and thus have poor efficiency.
Potential Applicability at Program or Project Level and by Different Levels of Government	Sales taxes are much more applicable to the program level than the project level. They are particularly applicable at the local level, but could be used at the State level as well.
Potential Acceptability	Sales taxes on vehicles have substantial revenue raising potential.
Implementation Issues and Potential Strategies to Overcome Barriers	All sales taxes already may be deposited into general revenue accounts.
Traditional Tolls	
Source and History	Selected highways and selected bridges have historically been toll facilities.
Yield, Adequacy and Stability	Existing toll facilities have been proven to be reliable and stable generators of revenue. The bonds of toll agencies are highly marketable.
Cost-Efficiency and Equity	Administration and compliance costs for tolling are greater than for motor fuel taxes, although these costs are reduced greatly through electronic toll collection.
Economic Efficiency	Traditional tolls vary by miles traveled and the size of trucks so are more efficient than fuel taxes, but traditional tolls do not vary with congestion levels.
Potential Applicability at Program or Project Level and by Different Levels of Government	Traditionally tolls have been used to finance individual projects. Several States allow tolls from one project to be used to provide front-end financing for other toll roads and thus tolls can be applicable to systems of toll roads or to transit facilities as well. Tolls are applicable at the State and local level, but have not been used at the Federal level.
Potential Acceptability	Tolls may be considered to be highly promising options for application to new highway capacity in the longer term with perhaps some limited short-term opportunities.
Implementation Issues and Potential Strategies to Overcome Barriers	A few existing toll facilities have been leased to international companies, substituting short-term revenue gains by public agencies for lesser longer-term revenues.

Exhibit 5-21. Advantages and disadvantages of alternative revenue sources, continued

Tolling New Lanes	
Source and History	In the past 10 years, 30-40 percent of new limited access highway mileage has been financed at least in part through tolls.
Yield, Adequacy and Stability	Legislation may be necessary to enable new types of tolls or pricing initiatives. Electronic pricing could significantly expand future opportunities. Toll revenues have been relatively stable at from 5-7 percent of total revenues for highways. If tolls are indexed to inflation revenues could increase substantially. Variable pricing would also increase toll revenues.
Cost-Efficiency and Equity	Tolls collected at traditional toll booths are expensive to administer, but electronic tolling is much less costly. Tolls can be set to achieve equity among vehicle classes. Concerns about the impacts of tolling on equity among income groups continue, but HOT lanes have been supported by all income groups.
Economic Efficiency	Variable tolls are much more economically efficient than fuel taxes.
Potential Applicability at Program or Project Level and by Different Levels of Government	Tolls are predominantly facility-based revenue sources used to finance individual projects. Tolls are applicable at the State and local level, but have not been used at the Federal level.
Potential Acceptability	Major positive opportunities exist to toll new future capacity. Sometimes this could be accomplished with tolls covering only a portion of needed revenues, which provides more total revenue and capacity than no tolling new facilities. Special types of toll facilities such as for truck lanes or HOT lanes could be promising.
Implementation Issues and Potential Strategies to Overcome Barriers	Acts allowing Regional Mobility Authorities (RMA) and a PPP act could expand future possibilities for tolling. Some states do not yet have a PPP act parallel to that of other states, which would enable private parties to initiate proposals to develop new facilities or to add toll lanes to existing facilities.
Tolling Existing Lanes	
Source and History	There currently are restrictions on tolling existing Interstate Highways but that can be done under several pilot programs for either pricing purposes or reconstruction of existing Interstate Highways.
Yield, Adequacy and Stability	Tolling existing lanes could provide very substantial additional revenues.
Cost-Efficiency and Equity	Tolling existing lanes could provide for greater equity than other sources of new revenues, but is widely perceived as inequitable ("paying twice"). This perception is false, however, since funds are needed for the continued maintenance and operation of the facilities.
Economic Efficiency	Variable tolls are much more economically efficient than fuel taxes.
Potential Applicability at Program or Project Level and by Different Levels of Government	Tolls are predominantly facility-based revenue sources used to finance individual projects. Tolls are applicable at the State and local level, but have not been used at the Federal level.

Exhibit 5-21. Advantages and disadvantages of alternative revenue sources, continued

Tolling Existing Lanes, continued	
Potential Acceptability	Opposition to tolling existing lanes is greater than to tolling new lanes. The greatest opportunity for tolling existing lanes may come with tolling Interstate facilities when they must be reconstructed.
Implementation Issues and Potential Strategies to Overcome Barriers	Sentiment is against tolling any currently free highway lanes. Likewise, little opportunity exists for tolling existing free bridges.
VMT Fees	
Source and History	Fees on VMT could be longer-term options that could supply revenues without being directly tied to fuel consumption. VMT fees could be weighted by fuel economy, weight, emissions, or other factors to support other policy goals.
Yield, Adequacy and Stability	VMT fees could be set to yield any level of desired revenues, but unless indexed to inflation their purchasing power would erode over time as does the fuel tax currently. VMT fees do not conflict with the need to reduce energy costs, reduce the balance of payments, or reduce fossil fuel consumption.
Cost-Efficiency and Equity	VMT fees would be more costly to collect and administer than fuel taxes, but long term costs are uncertain.
Economic Efficiency	VMT fees are more directly related to vehicle use than fuel taxes or registration fees. VMT fees, especially if applied as congestion pricing fees or weight-distance taxes can send strong pricing signals to users.
Potential Applicability at Program or Project Level and by Different Levels of Government	VMT fees are primarily for program financing rather than project financing – the counterpart at the project level is the toll. VMT fees could be used at the Federal, State, or local levels.
Potential Acceptability	A 2005 study of highway and transit revenue options for the U.S. Chamber of Commerce's National Chamber Foundation identified VMT fees and congestion pricing fees as promising options in the long term (15 years or more). VMT fees do not reward use of fuel efficient vehicles as does the fuel tax, but incentives for fuel efficient vehicles could come through registration fees
Implementation Issues and Potential Strategies to Overcome Barriers	VMT fees or congestion pricing fees require the technology to collect those fees reliably and also the political will to implement a new approach. There are privacy concerns associated with VMT fees but concerns are not substantiated. Transitioning away from fuel tax and to a VMT tax will require substantial coordination and consensus building.
Congestion Pricing	
Source and History	Could be applied as a special kind of VMT fee, with fees varying based on the level of congestion on the road. Pricing can also be implemented on an area-wide basis or a cordon basis. While the primary goal of congestion pricing is demand management rather than revenue generation, pricing can generate substantial revenues as well. Pricing can be either facility-based or area-wide. Oregon is demonstrating the technologies for collecting VMT fees at the fuel pump.
Yield, Adequacy and Stability	To maintain purchasing power congestion-related fees would have to be indexed to respond to inflation, but such indexing might not result in the level of congestion tolls desirable to efficiently manage demand. The yield and adequacy of congestion pricing revenues depend on where and how they are implemented. In some cases facility-based charges may cover facility construction and operations costs, but in other cases they may not.

Exhibit 5-21. Advantages and disadvantages of alternative revenue sources, continued

Congestion Pricing, continued	
Cost-Efficiency and Equity	Congestion pricing is more expensive to administer and enforce than motor fuel taxes. Concerns have been raised about the equity of congestion pricing. Equity is strongly influenced by the availability of good alternatives to driving on the priced highways. Rebate programs have been suggested as one way to reduce adverse impacts on lower income groups.
Economic Efficiency	Congestion pricing is more economically efficient than fuel taxes or most other revenue sources because users directly pay all or part of the costs their driving imposes on others. Congestion pricing could be combined with a weight-distance tax to capture the costs associated with operations of heavy trucks.
Potential Applicability at Program or Project Level and by Different Levels of Government	In the long run, VMT fees and congestion pricing could replace all or a portion of current user fees. Congestion pricing is applicable at either the project level or an area-wide level, but it generally would not be applicable to financing entire statewide transportation improvement programs.
Potential Acceptability	In the U.S. pricing generally has been limited to individual bridges and to HOT lanes and express lanes. The HOT lane and express lane applications have generally been well accepted since they provide drivers the choice of whether to pay to avoid congestion or not. Acceptance of pricing entire facilities or entire areas of a city is more controversial.
Implementation Issues and Potential Strategies to Overcome Barriers	The ability to apply pricing on the Interstate System is limited by federal law. Good transit alternatives also must be available for those who cannot afford the congestion toll and cannot change their trip destination or time of day.
Local Option Taxes	
Source and History	Have been widely used in many states to support highway and transit investments. Local governments in most states have implemented some type of local option tax, which must be specifically allowed by state enabling legislation. Local option taxes for transportation investments include motor fuel, vehicle, property, sales, and income taxes.
Yield, Adequacy and Stability	Sales taxes tend to have the highest yield compared to other local option taxes. Motor fuel and vehicle taxes tend to generate less revenue compared to other local option taxes. Except for motor fuel and vehicle taxes, other local option taxes tend to be indexed with inflation. Sales taxes respond to economic growth. Fluctuations in economic conditions tend to affect sales tax yield. Gasoline taxes and income taxes also could be impacted to some level by fluctuations in the economy.
Cost-Efficiency and Equity	Collection mechanisms already are in place to levy these taxes at the state or local level. Most local option taxes are regressive (except for income taxes). However, sales taxes tend to receive stronger support than other local option taxes. People consider that sales taxes are more "fair," since everyone pays, whether they are vehicle or transit users.
Economic Efficiency	Most local option taxes do not reflect the costs associated with highway use and thus are not economically efficient.
Potential Applicability at Program or Project Level and by Different Levels of Government	Local option taxes may be applicable to a major project, but are more applicable to a program of transportation improvements. By definition these fees are applicable only at the local level.

Exhibit 5-21. Advantages and disadvantages of alternative revenue sources, continued

Local Option Taxes, continued	
Potential Acceptability	State legislation must be in place that allows local option taxes. Sales taxes have been widely used by transit agencies to support operations and capital investments. Rates of success with ballot measures to fund transportation have been increasing, as documented by the Center for Transportation Excellence.
Implementation Issues and Potential Strategies to Overcome Barriers	Commonly, local option taxes require voters' approval. While an expenditure plan that specifies projects and/or programs to be funded with the new local option tax levies is not always required, local option taxes have better chances of success for implementation where expenditures and uses are clearly defined. Implementation plans that are well designed have resulted in very high success rates for ballot measures to enhance transportation revenues.
Beneficiary Charges: Impact Fees	
Source and History	Impact fee legislation exists in 26 states (excluding Florida). Impact fees for transportation improvements are widely used in California and Florida.
Yield, Adequacy and Stability	Revenues from impact fees are typically dedicated for certain road and transit improvements that would serve the new development. In addition, revenues from impact fees will be highly dependent on development opportunities in the area where implemented. Value capture tools are subject to increases in property value realized by infrastructure improvements.
Cost-Efficiency and Equity	These charges can be relatively equitable if properly structured. Benefit districts can target the specific beneficiaries. While impact fees are directly charged to developers, they pass those charges to buyers, increasing the cost of real estate. TIF allocates a portion of the additional property taxes resulting from the increase in property values. Communities and local agencies could argue that implementation of TIF would take away revenues that otherwise would be used to meet other public needs.
Economic Efficiency	Beneficiary charges send modest pricing signals to encourage better transportation and land use integration.
Potential Applicability at Program or Project Level and by Different Levels of Government	Beneficiary charges may be applicable to a major project, or to a program of transportation improvements in a local area. These fees are applicable only at the local level.
Potential Acceptability	Implementation is subject to enabling legislation that allows the collection of impact fees and the formation of assessment districts. These tools tend to be most applicable in higher growth state or localities.
Implementation Issues and Potential Strategies to Overcome Barriers	Impact fees are only applicable to new development. TIF and other property assessments may require the formation of districts, where property tax levies are dedicated for transportation improvement. This may require voters' approval from district residents and business owners. Beneficiary charges have been the subject of numerous lawsuits in many areas.

Exhibit 5-21. Advantages and disadvantages of alternative revenue sources, continued

Innovative Finance	
Source and History	Most states have used one or more forms of the IF financing tools. Innovative finance is not a source of new revenues, but rather a method of financing projects or programs of projects. It usually involves borrowing that must be repaid from other sources of funds such as fuel taxes, tolls, or other revenue sources.
Yield, Adequacy and Stability	IF financing tools are used to leverage capital in the form of debt or equity. They rely on existing or new revenue sources to pay the indebtedness.
Cost-Efficiency and Equity	Incurring longer-term debt helps advance programs and projects that would otherwise take years to develop if at all. Innovative finance may be more equitable than financing high-cost projects out of current revenues because it spreads the cost to future users who will also benefit from the investment.
Economic Efficiency	The economic efficiency will depend on the source of revenues from which indebtedness is repaid.
Potential Applicability at Program or Project Level and by Different Levels of Government	Innovative finance is more often used at the project level, but it also is applicable to the program level as well. It is most applicable to the State and local levels of government.
Potential Acceptability	Innovative finance is usually well accepted since it spreads the cost of projects over time.
Implementation Issues and Potential Strategies to Overcome Barriers	States may require enabling legislation to issue GARVEE bonds. Most innovative finance grant management tools are codified under Title 23 U.S.C. and require no special action from states to be used. To test new grant management tools, states may apply to U.S. DOT under the SEP-15 or TE-045 programs. Debt mechanisms must be balanced against long-term revenue sources. Many states cap the amount of debt that can be issued.
Public-Private Partnerships	
Source and History	PPPs are commonly used in Europe to reduce public-sector costs to construct, operate, and maintain highway facilities but are not yet widely used to support similar projects in the United States. PPPs are primarily financing and project delivery mechanisms, but like innovative finance they may help accelerate project delivery. Highway improvements are now eligible for financing with private activity bonds.
Yield, Adequacy and Stability	States and other public sponsors increasingly consider private-sector involvement as a way to spur implementation of large projects. Since these projects typically are supported by tolls, the yield, adequacy, and stability will depend on characteristics of the specific project.
Cost-Efficiency and Equity	PPPs can facilitate access to private capital and bring innovative cost-saving projects delivery methods. Cost-efficiency and equity will be similar to other types of tolls. Since the private sector often handles toll collection and must deal with enforcement, public agency costs for those items are low.
Economic Efficiency	The economic efficiency of PPPs as a financing mechanism is similar to other toll facilities, although PPPs are more likely to use electronic toll collection and other methods for improving operational efficiency. Other efficiencies unrelated to financing may also be realized through the use of PPPs.

Exhibit 5-21. Advantages and disadvantages of alternative revenue sources, continued

Public-Private Partnerships, continued	
Potential Applicability at Program or Project Level and by Different Levels of Government	PPPs that involve private sector capital generally are implemented at the project level. Several states are using PPPs to operate and maintain portions of their highway systems, but those do not all involve tolling. PPPs are applicable at either the State or local level.
Potential Acceptability	PPPs have become quite controversial. Several States routinely consider PPPs for certain types of projects while uncertain public acceptance has prevented other States from doing so.
Implementation Issues and Potential Strategies to Overcome Barriers	Specific project proposals need to be evaluated to determine if it will be cost-effective. May require enabling legislation. More than 20 states have explicit PPP acts that provide means to bring the private sector into funding and management of highways. Virginia's act has fostered a wide range of proposals.
Container Fees	
Source and History	A number of current and emerging trends are driving the exploration of container charges and other direct user fees as a transportation revenue source. These include the rapid growth in international and domestic freight volumes and recognition that new revenue sources will be needed to fund freight-specific transportation improvements.
Yield, Adequacy and Stability	Container fees represent a potentially large source of revenue. A recent NCHRP report estimated that a $30/TEU fee applied at all U.S. ports, would generate average annual revenues of $2.2 billion through 2017. A study performed in 2005 for the Southern California Association of Governments (SCAG) found that a container fee of $192 per TEU assessed on every inbound loaded container at the San Pedro Bay ports could fund about $20 billion in access infrastructure improvements.
Cost-Efficiency and Equity	Container fees offer a way to tie freight system users more directly to the resources and infrastructure they use. These fees are seen by many as a more equitable method to raise revenue that can be dedicated specifically to freight system improvements.
Economic Efficiency	Economic efficiency will depend on the extent to which the container fees reflect the costs associated with the freight facility. If congestion costs are not significant and container traffic represents the preponderance of traffic on the facility, container fees may be relatively efficient, although they would not capture differences in the container weights.
Potential Applicability at Program or Project Level and by Different Levels of Government	There are limited options to fund or finance non-highway freight improvement projects. Current federal programs may be applicable to small, localized freight system improvements, but are not well suited to larger regional intermodal freight improvements. Container fees could provide substantial revenues for such large-scale projects and would be appropriate for both rail and highway components of intermodal projects. Container fees could be applicable to either State or local projects.
Potential Acceptability	It will be challenging to develop consensus among competing jurisdictions and other stakeholders on the types and locations of projects to be developed.
Implementation Issues and Potential Strategies to Overcome Barriers	Implementing a container fee that equitably links costs and potential benefits for the mix of freight traffic using any given gateway may be difficult.

Exhibit 5-21. Advantages and disadvantages of alternative revenue sources, continued

Customs Duties	
Source and History	The majority of customs duties currently are deposited into the U.S. General Fund, although a portion is used to support costs of Customs and Border Patrol operations.
Yield, Adequacy and Stability	In FY 2002 customs duties amounted to $23.8 billion in gross revenue, three quarters of which was collected from marine sources. This would be a very stable source of revenues.
Cost-Efficiency and Equity	Fees based on the value of cargo are not as equitable as those on the volume because they do not reflect the transportation requirements as well.
Economic Efficiency	The economic efficiency of customs duties is poor since the value of cargo has little bearing on costs associated with moving the cargo. The efficiency of customs duties would also depend on the type of facilities financed from those fees.
Potential Applicability at Program or Project Level and by Different Levels of Government	Customs duties would be most appropriately used for improvements to waterside or landside port or airport facilities, to improve the connections between these facilities and the highway and freight rail systems, or to improve freight facilities serving large volumes of international shipments. They would be applicable to the Federal level only.
Potential Acceptability	One key disadvantage is the likely resistance by the Congress and federal agencies to the diversion of Customs duties to offset freight transportation investments.
Implementation Issues and Potential Strategies to Overcome Barriers	Some will argue that gateway improvement programs already exist and point to SAFETEA-LU's Coordinated Border Infrastructure Program (Section 1303), but finding from that program currently is inadequate.
Tax Credit Bonds	
Source and History	Like innovative finance, tax credit bonds are a financing mechanism and not a new source of revenue. Tax credits would represent reductions of income taxes owed by bond holders.
Yield, Adequacy and Stability	Tax credit bonds could provide a large and stable source of funds to finance transportation improvements for a fixed period of time.
Cost-Efficiency and Equity	Tax credit bonds would have low administrative and enforcement costs since those costs would be small increments of costs associated with processing Federal income tax returns. Bonds would be relatively progressive with income since bond interest would be paid from general tax revenues.
Economic Efficiency	Income tax from which bond interest would be "paid" has no relationship to costs of transportation system use.
Potential Applicability at Program or Project Level and by Different Levels of Government	This financing mechanism would be applicable at the program level and would apply to the Federal Government.
Potential Acceptability	Implementing such a financing mechanism would be difficult since it could represent a loss of General Fund revenues.
Implementation Issues and Potential Strategies to Overcome Barriers	Several tax credit bond proposals for surface transportation have been introduced in recent years (e.g., Build America Bonds, Amtrak, other rail infrastructure), but none has yet been enacted.

Exhibit 5-21. Advantages and disadvantages of alternative revenue sources, continued

Infrastructure Bank	
Source and History	Over the years various forms of infrastructure bank have been proposed as mechanisms to provide funds for infrastructure investment. These banks are not necessarily limited to transportation investment. Like other financing mechanisms, funds borrowed from the infrastructure bank would have to be repaid from some other general or project-related revenue source.
Yield, Adequacy and Stability	Infrastructure banks can provide large and stable sources of funds for a limited period of time.
Cost-Efficiency and Equity	Administrative costs generally would depend on the revenue source from which borrowed funds were repaid.
Economic Efficiency	The relative economic efficiency would depend on the source of revenues from which borrowed funds were repaid. Tolls would tend to be more efficient than fuel taxes or other general revenues.
Potential Applicability at Program or Project Level and by Different Levels of Government	This financing mechanism would be applicable to either the program or project level. Revenues to repay loans would come from the State or local level of government.
Potential Acceptability	Borrowed funds would likely come from the Federal General Fund. Getting agreement to allocate General Funds for this purpose could be difficult.
Implementation Issues and Potential Strategies to Overcome Barriers	As noted, there have been several proposals for infrastructure banks over the years, but it is not believed any have been enacted.

This table provides details supporting the summary evaluation of alternative revenue sources presented in Exhibit 5-20.

Source: December 2006 NCHRP study, *Future Financing Options to Meet Highway and Transit Needs* and Commission Staff analysis.

Endnotes

1 Association of American Railroads (AAR)/ Cambridge Systematics, *National Rail Freight Infrastructure Capacity and Investment Study, 2007.*

2 U.S. Department of Transportation, Maritime Administration, *U.S. Public Port Development Expenditure Report (FYs 2005 & 2006-2010),* July 2007.

3 *Current Toll Road Activity in the U.S. A Survey and Analysis,* http://www.fhwa.dot.gov/ppp/toll_survey0906.pdf.

4 Road User Fee Task Force, *Report to the 72nd Oregon Legislative Assembly on the Possible Alternatives to the Current System of Taxing Highway Use through Motor Vehicle Fuel Taxes,* March 2003, p. 2.

5 Forkenbrock, David J., and Kuhl, Jon G., *A New Approach to Assessing Road User Charges,* Public Policy Center, University of Iowa, 2002.

6 Whitty, James, *Oregon's Mileage Fee Concept and Road User Fee Pilot Program,* Final Report, November 2007, (http://www.oregon.gov/ODOT/HWY/RUFPP/docs/RUFPP_finalreport.pdf).

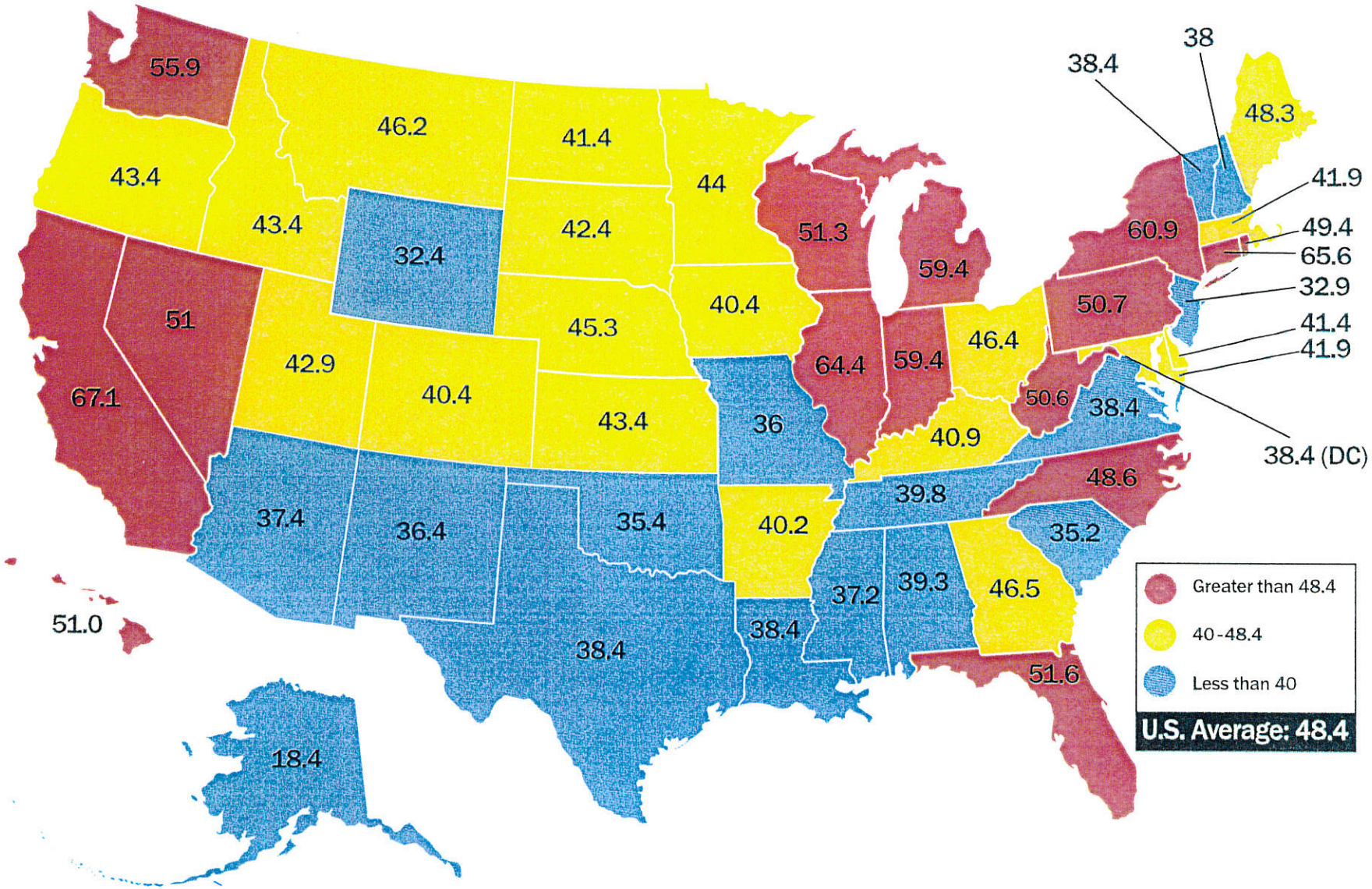
TRANSPORTATION FOR TOMORROW
National Surface Transportation Policy and Revenue Study Commission

energy API

Gasoline Taxes

Combined Local, State and Federal (Cents Per Gallon)

OCTOBER 2008

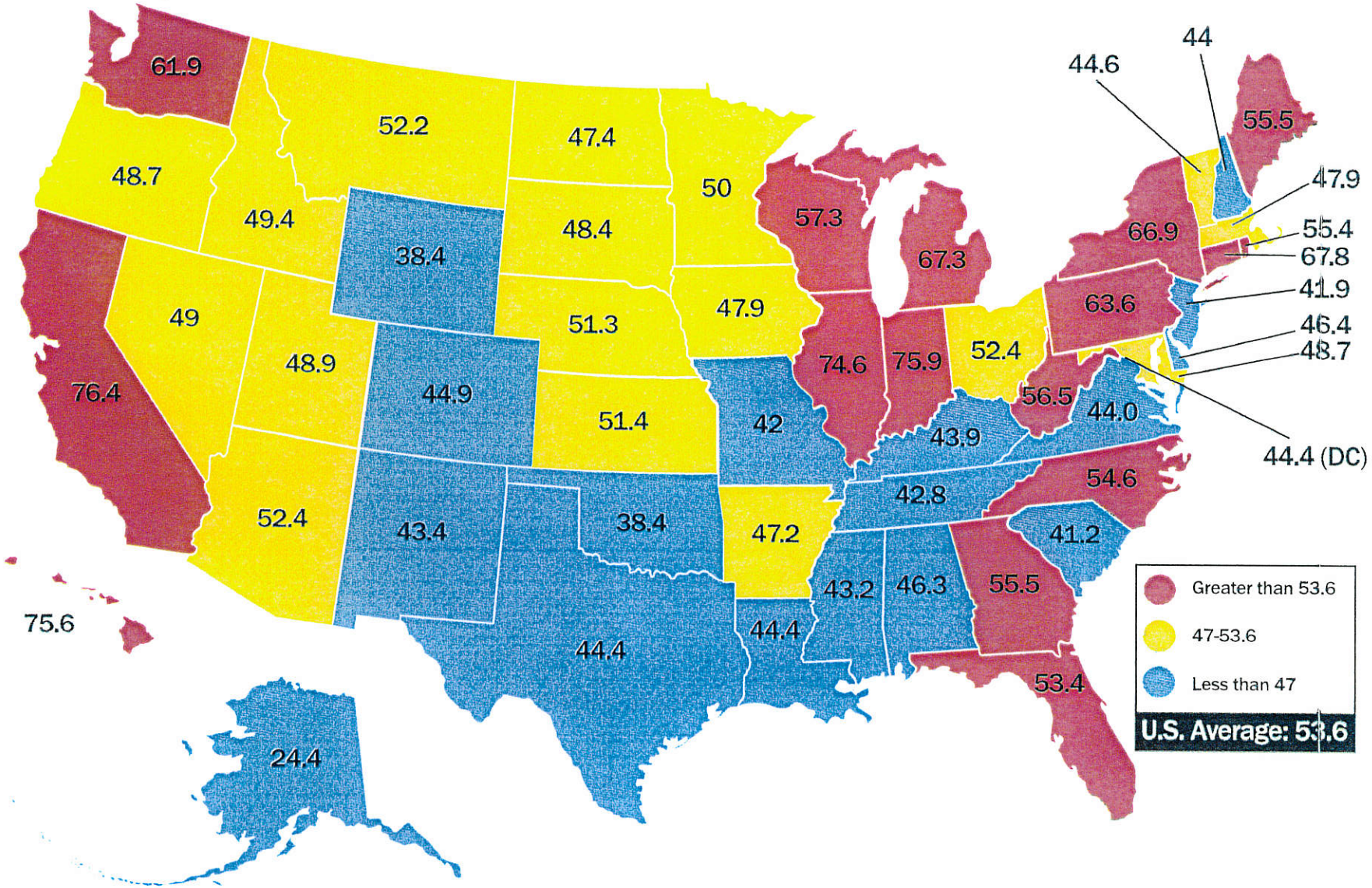


energy API

Diesel Taxes

Combined Local, State and Federal (Cents Per Gallon)

OCTOBER 2008



Highway Taxes and Fees 2008

Summary Of State Motor-vehicle Registration Fee Schedules 1/

Based on information obtained from state authorities and on the law of the states

Table MV-103 Part 1 of 2

Status as of January 1, 2008

STATE	1. AUTOMOBILES				2. SINGLE-UNIT TRUCKS					
	FEE BASIS (1)	APPROXIMATE RANGE 3/ FROM (2)	TO (3)	FEE FOR TYPICAL VEHICLE4/ (4)	FEE BASIS (5)	APPROXIMATE FEE RANGE 5 / REGULARREGISTRATION (6)	SPECIAL RATES FOR FARM TRUCKS 6 / (7)	FEE FOR TYPICAL VEHICLES 7/ NON-FARM (8)	FARM (9)	HEAVY SINGLE -UNIT8/ (10)
Alabama	Flat fee. A	$24.25	$24.25	$24.25	Gross weight	$23 for up to 8,000 pounds	$30 for up to	$236.25	$31.25	$586.25

STATE	1. AUTOMOBILES				2. SINGLE-UNIT TRUCKS				
	FEE BASIS (1)	APPROXIMATE RANGE 3/ FROM (2)	TO (3)	FEE FOR TYPICAL VEHICLE4/ (4)	FEE BASIS (5)	APPROXIMATE FEE RANGE 5 / REGULARREGISTRATION (6)	SPECIAL RATES FOR FARM TRUCKS 6 / (7)	FEE FOR TYPICAL VEHICLES 7/ NON-FARM (8)	FARM (9)	HEAVY SINGLE -UNIT8/ (10)
	Additional fees supporting a variety of local issues such as freeway service, air quality improvement can add $1-$6.	-	-	-	-	Vehicles over 10,000 pounds. pay flat fees of $177 as well as weight fees.	-	-	-	-
	Vehicle License Fees are also charged based on the vehicle value.	-	-	-	-	Local fees and Vehicle License Fees also apply.	-	-	-	-
Colorado	Empty weight groups: $6.00 for 2,000 pounds or less; $6.00 plus 20 cents per cwt. over 2,000 pounds; $12.50 plus 60 cents per cwt. over 4,500 pounds. An additional registration fee of $12.00 for vehicles less than 7 yrs. old; $10.00 for 7 yrs. but less than 10 yrs; and $7.00 for 10 yrs. and older. An additional fee of $1.50, a $4.00 clerk fee, a 50 cent emissions fee, $1.00 Emergency Medical Network.	19.00	28.20	26.60	Empty weight for 16,000 pounds or less. Declared gross weight plus annual mileage groups for over 16,000 pounds.	$7.60 for 2,000 pounds or less to $233.00 for 16,000 pounds. An additional registration fee of $12.00 for vehicles less than 7 yrs old; $10.00 for 7 yrs. but less than 10 years; and $7.00 for 10 years and older. $273.00 for 16,001 pounds and driven less than 30,000 miles per year to $2,373.00 for over 74,000 pounds and driven more than 30,000 miles per year plus $10.00. An additional fee of a $1.50, a $4.00 clerk fee, a 50 cent emission fee, and $1.00 Emergency Medical Network.	$6.20 for 2,000 pounds or less to $110.00 plus $1.50 per cwt. for over 16,000 pounds. An additional registration fee of $12.00 for vehicles less than 7 yrs. old; $10.00 for 7 yrs. but less than 10 yrs; and $7.00 for 10 yrs. and older. An additional fee of $1.50, a $4.00 clerk fee, a 50 cent emissions fee, $1.00 Emergency Medical Network	117.00	46.10	1,788.00
Connecticut	Flat fee for 2-year period.	70.00	70.00	70.00	Gross weight.	$1.15 per cwt. for up to 20,000 pounds to $1.90 per cwt. for over 73,000 pounds. Minimum fee: $39.00.	Flat fee for 2-year period.	281.00	28.00	-
Delaware	Flat fee. $40 per year of registration.	40.00	40.00	40.00	Gross weight.	$40 for first 5,000 pounds and $18 for each additional 1,000 pounds.	$40.00 for first 5,000 pounds and $3.80 for each additional 1,000 pounds.	272.00	59.00	876.80
District of Columbia	Empty weight groups: $72 for 3,499 pounds or less to $155 for 5,000 pounds and over. A $25 inspection fee is assessed	$72.00	$155.00	$72.00	Empty weight groups. A $25 inspection fee is assessed every year in addition to the fees shown.	$125 for less than 3,499 pounds to $575 for 10,000 pounds and over. $25 per each additional 1,000 pounds over 10,000 pounds.	No special rates.	$125.00	$575.00	-

STATE	1. AUTOMOBILES				2. SINGLE-UNIT TRUCKS					
	FEE BASIS (1)	APPROXIMATE RANGE 3/ FROM (2)	TO (3)	FEE FOR TYPICAL VEHICLE4/ (4)	FEE BASIS (5)	APPROXIMATE FEE RANGE 5 / REGULARREGISTRATION (6)	SPECIAL RATES FOR FARM TRUCKS 6 / (7)	FEE FOR TYPICAL VEHICLES 7/ NON-FARM (8)	FARM (9)	HEAVY SINGLE -UNIT8/ (10)
	every two years in to the fees shown.									
Florida	Empty weight groups: $14.50 for 2,499 pounds or less to $32.50 for 3,500 pounds and over. A $2.50 service charge, a 50 cent reflectorized plate fee, a 50 cent fee for Real Time Vehicle Information System fee, a $1.00 Air Pollution Control fee, a $1.50 Transportation Disadvantaged fee, $1.00 Law Enforcement Radio System fee, a $2.00 License Plate Replacement fee, a $2.00 surcharge, 10 cents Emergency Medical Services fee, $1 Juvenile Justice fee, and a $1 Decal on Demand fee are included in columns (2) through (4).	27.10	45.10	35.10	Empty weight groups: $14.50 for 1,999 pounds or less to $32.50 for 3,001 pounds to 5,000 pounds. Add-on fees identical to those listed in column (1) for automobiles. Gross weight groups: Twelve different weight groups for vehicles over 5,000 pounds, ranging from flat rate of $45.00 to $979.00. Add-on fees are similar to those listed in column (1) for automobiles, except that Transportation Disadvantaged fee does not apply to trucks over 5,000 pounds, and for vehicles of 10,000 pounds or more there is an additional $5.00 surcharge. Add-on fees are included in columns (6) through (10).	$27.60 flat fee for 1,999 pounds or less to $994.60 for 72,000 pounds or more.	Gross vehicle weight: $81.60 for less than 44,000 pounds, $256.60 for 44,000 pounds or more. Vehicles classified as	147.60	81.60	588.60
Georgia	Flat fee.	20.00	725.00	Variable	Gross weight.	Private trucks: $20 to $400. For-Hire trucks: $20 to $725.	Flat fee of $20.	38.00	20.00	365.00
Hawaii	For the City and County of Honolulu, Hawaii County, Maui County and Kauai County:	-	-	-	-	-	-	-	-	-
	Flat fee ($25.00) plus net weight tax of 3.00 cent per pound ($12.00 minimum) for the City and County of	130.00 9/	236.50 9/	167.50 9/	Flat fee ($20.00) plus net weight tax of 3.50 cents per pound for the City and County of Honolulu.	$178.00 for 3,000 pounds to $900.50 for 20,000 pounds for the City and County of Honolulu.	$155.50 for 3,000 pounds to $750.50 for 20,000 pounds for the City and County of Honolulu.	167.50 10/	167.50 10/	

STATE	1. AUTOMOBILES				2. SINGLE-UNIT TRUCKS					
	FEE BASIS (1)	APPROXIMATE RANGE 3/ FROM (2)	TO (3)	FEE FOR TYPICAL VEHICLE4/ (4)	FEE BASIS (5)	APPROXIMATE FEE RANGE 5 / REGULARREGISTRATION (6)	SPECIAL RATES FOR FARM TRUCKS 6 / (7)	FEE FOR TYPICAL VEHICLES 7/ NON-FARM (8)	FARM (9)	HEAVY SINGLE -UNIT8/ (10)
	Honolulu.									
	Flat fee ($18) plus net weight tax of 0.75 cents per pound ($6.00 minimum) for Hawaii County	75.30 10/	115.78 10/	90.15 10/	Flat fee($18.00) plus net weight tax of 2 cents per pound for Hawaii County	$126.00 to $593.50 for Hawaii County.	$126.00 to $443.50 for Hawaii County.	233.10 11/	169.90 11/	483.10 11/
	Net weight tax of 0.0125 per pound ($6.00 minimum) for Maui County.	53.24 10/	93.69 10/	71.90 10/	Net weight tax of 0.02 cent per pound for Maui County.	$89.00 to $471.50 for Maui County.	$89.50 to $321.50 for Maui County.	239.08 11/	140.18 11/	-
	Net weight tax of 0.0125 cent per pound ($12.00 minimum) for Kauai County.	52.74 10/	93.19 10/	71.40 10/	Net weight tax of 0.025 cent per pound for Kauai County.	$103.50 to $571.00 for Kauai County.	$103.50 to $421.00 for Kauai County.	278.14 11/	179.24 11/	-
	For State of Hawaii:	-	-	-	-	-	-	-	-	-
	Flat fee ($25.00) plus State net weight tax 0.75 cent per pound for 4,000 pounds or less; 1 cent per pound for 4,001 to 7,000 pounds; 1.25 cents per pound for 7,001 to 10,000 pounds; flat rate of $150.00 for over 10,000 pounds 9/	-	-	-	Flat fee ($25.00) plus State net weight tax of 0.75 cents per pound for 4,000 pounds or less; 1 cent per pound for 4,001 to 7,000 pounds; 1.25 cents per pound for 7,001 to 10,000 pounds; flat rate of $150 for over 10,000 pounds. 9/	-	6,000 pounds or over used for agricultural purposes are not subject to the State weight tax.	-	-	-
Idaho	Age groups: $24.00 for vehicles over 8 years old to $48.00 for vehicles 1 and 2 years old. A $3.00 reflectorized plate fee ($5.00 per automobile) is assessed when new plates are issued. A $1.25 emergency medical services fee is included in columns (2) through (4).	$25.25	$37.25	$29.25	Gross weight groups. A $3.00 reflectorized plate fee ($6.00 per truck) is assessed when new plates are issued. A $1.25 emergency medical services fee is included in columns (8), (9) and (10).	$48 for 16,000 pounds or less to $515.40 for 50,001 to 60,000 pounds. $210.00 to $4,500.00 depending on miles traveled for 60,000 pounds to 106,000 pounds.	$48.00 for 8,001 to 16,000 pounds to $311.68 for 50,001 to 60,000 pounds. $210.00 to $4,500.00 depending on miles traveled for 60,000 pounds to 106,000 pounds.	$144.65	$62.33	$516.65
Illinois		Flat fee.		78.00	78.00	78.00 Flat fee plus fee based on gross weight.	$10 flat fee plus $68 for gross weight of 8,000 pounds or less to $1,380 for 45,000 pounds.	$10 flat fee plus $140 for 16,000 pounds or	490.00	226.(

STATE	1. AUTOMOBILES				2. SINGLE-UNIT TRUCKS				
	FEE BASIS (1)	APPROXIMATE RANGE 3/ FROM (2)	TO (3)	FEE FOR TYPICAL VEHICLE4/ (4)	FEE BASIS (5)	APPROXIMATE FEE RANGE 5 / REGULARREGISTRATION (6)	SPECIAL RATES FOR FARM TRUCKS 6 / (7)	FEE FOR TYPICAL VEHICLES 7/ NON-FARM (8)	FARM (9)	HEAVY SINGLE -UNIT8/ (10)
							'less to $800 for 45,000 pounds.			
	-	-	-	-	Optional basis: flat fee plus mileage weight tax.	$10 flat fee plus $73 for gross weight of 12,000 pounds or less to $695 for 45,000 pounds with per mile taxes on mileage exceeding stipulated amounts.	No special rates.	190.00	226.00	863.00
Indiana	Flat fee of $12.00. A 25 cent Public Safety fee and a 50 cent financial responsibility fee are included in columns (2) through (4).	12.75	12.75	12.75	Gross weight groups. A 25 cent Public Safety fee and a 50 cent financial responsibility fee are included in columns (8) and (9).	$20 for 7,000 pounds or less to $956 for over 66,000 pounds.	One half regular fee for trucks over 11,000 pounds.	175.75	88.25	810.75
Iowa	Empty weight and value: 40 cents per cwt. plus one percent of value. The portion based on value drops to 0.75 percent after 5 registrations, 0.5 percent after 6 registrations and after 8 registrations (if 1994 model or newer) the registration fee is a flat $35.	23.00	35.00	27.00	Gross weight groups.	$65 for 3 tons or less (decreasing with age to a minimum of $35) to $1,695 for 40 tons. Over 40 tons is $1,695 plus $80 for each ton in excess of 40 tons.	$80 for 6 tons to $675 for 32 tons.	235.00	150.00	1,060.00
Kansas	Gross weight groups: $25.00 for 4,500 pounds or less; $35.00 for more than 4,500 pounds. A $2.25 service fee is included in columns (2) through (4).	27.25	37.25	27.25	Gross weight groups.	$35.00 for 12,000 pounds or less to $1,925.00 for 85,500 pounds. A $2.25 service fee is included in column (8).	$35.00 for 16,000 pounds or less to $600.00 for 85,500 pounds. A $2.25 service fee is included in column (9).	132.25	42.25	-
Kentucky	Flat fee. A $9.00 service charge, an additional county clerk fee of $6.00, and a State fee of $3.00 are included in columns (3) through (5).	21.00	21.00	21.00	Gross weight groups. A $9 service charge, a 50 cent Reflectorized Plate fee, a $6.00 County Clerk and a $3.00 State are included in columns (7), (8) and (9).	$21.00 for 10,000 pounds or less to $474.00 for 44,000 pounds.	$21.00 for 38,000 pounds or less to 40 percent of regular fee for over 38,000 pounds.	149.00	21.00	703.50

STATE	1. AUTOMOBILES				2. SINGLE-UNIT TRUCKS				
	FEE BASIS (1)	APPROXIMATE RANGE 3/ FROM (2)	TO (3)	FEE FOR TYPICAL VEHICLE4/ (4)	FEE BASIS (5)	APPROXIMATE FEE RANGE 5 / REGULARREGISTRATION (6)	SPECIAL RATES FOR FARM TRUCKS 6 / (7)	FEE FOR TYPICAL VEHICLES 7/ NON-FARM (8)	FARM (9)	HEAVY SINGLE -UNIT8/ (10)
Louisiana	Actual value: $10 per year for a 4 year period for $10,000 or less to $10 plus $1 per $1,000 over $10,000.	10.00	41.00	15.00	Gross weight groups.	$10 per year for a 4 year period for 6,000 pounds or less to $1,056 for 88,000 pounds, paid annually.	$3 per year for a 4 year period for 6,000 pounds or less to $40 for 88,000 pounds.	76.00	10.00	348.00
Maine	Flat fee.	25.00	25.00	25.00	Gross weight groups.	$25 for 6,000 pounds or less to $982 for 90,000 pounds. $40 rebate for vehicles registered for more than 23,000 pounds gross vehicle weight and attesting to exclusive operation in the power unit semi-trailer mode.	$21 for 6,000 pounds or less to $469 for 69,000 pounds.	186.00	99.00	638.00
Maryland	Shipping weight groups: $27.00 for 3,700 pounds or less to $40.50 for over 3,700 pounds. An $8.00 surcharge is included in columns (2) through (4).	$35.00	$48.50	$35.00	Chassis weight groups with gross weight limits or manufacturer's rated capacity for 1/2 and 3/4 ton.	$33.75 for 3/4 ton or less manufacturer's rated capacity. Others $47.50 (minimum gross weight 10,000 pounds) to $940.00 (maximum gross weight 80,000 pounds). An $8.00 surcharge is included in columns (8) and (10).	$2.75 per 1,000 pounds of gross registered weight; $27.50 (minimum gross weight of 10,000 pounds) to $195.00 (maximum gross weight of 65,000 pounds). An $8.00 surcharge is included in column (9).	$88.75	$54.75	$596.00
Massachusetts	Flat fee for lifetime of registration.	$36.00	$36.00	$36.00	Gross weight.	$24 biennial per 1,000 pounds for 5,000 pounds or less. Minimum fee: $96. $15 per 1,000 pounds for greater than 5,000 pounds. Annual minimum fee: $90.	No special rates.	252.80	252.75	840.00
Michigan	Empty weight: 1983 or older model vehicles are based. $29 for 3,000 pounds or less to 90 cents per cwt. for over 10,000 pounds. 1984 or newer model vehicles are based on mfrs. base list price; $30 for $5,999 or less to 0.5 % of the base list price for over $30,000 plus a $5 processing fees. Decrease in 2nd, 3rd and 4th year by 10	29.00	211.00	58.00	Gross weight groups, except empty weight for trucks less than 8,000 pounds.	$39.00 for commercial pickups 4,000 pounds or less empty weight to $49.00 for 5,000 pounds. $1.40 per cwt. for other trucks (not used in combination) for 2,500 pounds empty weight to $2.72 per cwt. for 8,000 pounds plus $5.00; $378.00 to 24,000 pounds gross weight to $2,398.00 for over 160,000 pounds.	74 cents per cwt. of empty weight plus $5.	190.00	55.00	975.00

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STATE	1. AUTOMOBILES				2. SINGLE-UNIT TRUCKS				
	FEE BASIS (1)	APPROXIMATE RANGE 3/ FROM (2)	TO (3)	FEE FOR TYPICAL VEHICLE4/ (4)	FEE BASIS (5)	APPROXIMATE FEE RANGE 5 / REGULARREGISTRATION (6)	SPECIAL RATES FOR FARM TRUCKS 6 / (7)	FEE FOR TYPICAL VEHICLES 7/ NON-FARM (8)	FARM (9)	HEAVY SINGLE -UNIT8/ (10)
	% per year.									
Minnesota	Value and age: The base value is the manufacturer's suggested retail price plus the destination charges. Value depreciation every other year until minimum tax.	99.00	464.00	125.00	Gross weight and age groups. Fee reduced in the eighth year of vehicle life.	$90 for 9,000 pounds or less and older than 8 years to $1,760 for 81,000 pounds. Fees reduced by 25 percent for vehicles 9 years old and older.	$21 for 12,000 pounds or less and older than 8 years to $1,056 for 81,000 pounds. Fees reduced by 45 percent for vehicles 9 years old and older.	145.00	65.00	865.00
Mississippi	Flat Fee. $8.75 decal fee plus $15.00 privilege tax. An additional $1.25 is assessed when new plates are issued.	23.75	23.75	23.75	Flat fee plus gross weight groups.	$8.75 decal fee plus $7.20 for 6,000 pounds or less to $2,862.00 for 80,000 pounds. An additional $1.25 is assessed when new plates are issued.	$8.75 decal fee plus $7.20 for 6,000 pounds or less to $2,214.00 for 80,000 pounds. An additional $1.25 is assessed when new plates are issued.	503.50	425.00	1,663.00
Missouri	Horsepower groups: $18 for less than 12 horsepower to $51 for 72 horsepower and over.	21.00	33.00	24.00	Gross weight groups.	$25.50 for 6,000 pounds or less to $1,719.50 for over 78,000 pounds.	$15.50 for 6,000 pounds or less to $350.50 for over 72,000 pounds.	63.00	20.50	-
Montana	Empty weight groups: $10.25 for 2,850 pounds or less; $15.25 for 2,851 pounds and over. An additional $2.00 fee collected when new plates are issued.	10.25	15.25	15.25	Flat fee plus gross weight fee.	$15.25 flat fee plus gross weight fee of $21.00 for 16,000 pounds or less to $750.00 for 80,000 pounds plus additional $46.00 for each 2,000 pounds over 80,000 pounds.	$15.25 flat fee plus 35 percent of gross vehicle weight fee schedule with minimum fee of $6.00.	43.25	21.25	415.25
Nebraska	Flat fee. An additional fee of $5.50 is included in columns (2) through columns (4). A $3.25 per plate fee is assessed when new plates are issued.	20.50	20.50	20.50	Gross vehicle weight. An additional fee of $5.50 is included in columns (8) and (9). A $3.25 per plate fee is assessed when new plates are issued.	$18 for 3 tons or less to $1,140 for 47 tons.	$18 for 5 tons or less to $335 for 47 tons.	138.00	24.50	-

STATE	1. AUTOMOBILES				2. SINGLE-UNIT TRUCKS					
	FEE BASIS (1)	APPROXIMATE RANGE 3/ FROM (2)	TO (3)	FEE FOR TYPICAL VEHICLE4/ (4)	FEE BASIS (5)	APPROXIMATE FEE RANGE 5 / REGULARREGISTRATION (6)	SPECIAL RATES FOR FARM TRUCKS 6 / (7)	FEE FOR TYPICAL VEHICLES 7/ NON-FARM (8)	FARM (9)	HEAVY SINGLE -UNIT8/ (10)
Nevada	Flat fee.	33.00	33.00	33.00	Declared gross weight groups.	$33 for 6,000 pounds or less to $48 for 10,000 pounds. Over 10,000 to 26,000 pounds, $12 per 1,000 pounds. Over 26,000 to 80,000 pounds, $17 per 1,000 pounds.	No special rates.	252.00	252.00	986.00
New Hampshire	Gross weight groups: $31.20 for 3,000 pounds or less to 96 cents per cwt. for 8,001 pounds and and over. Additional $4.00 per plate reflectorized plate fee when new plates are issued.	$31.20	$55.20	$43.20	Gross weight. Plus additional $4.00 per plate reflectorized plate fee when new plates are issued.	$31.20 for 3,000 pounds or less to 96 cents per cwt. for 8,001 pounds and over.	$24 for 16,000 pounds or less. Plus 74 cents per cwt. for any additional weight above 16,000 pounds.	$192.00	$54.00	$556.80
New Jersey	Shipping weight groups and age: $14 for under 2,700 pounds for 1970 and older models to $51 for over 3,800 pounds for 1971-1979 models. $25 for under 3,500 pounds to $50 for over 3,500 pounds for 1980 and newer models. A $2.50 inspection fee is assessed in addition to the fees shown.	25.00	50.00	25.00	Gross weight.	$53.50 for 5,000 pounds or less to $11.50 for each additional 1,000 pounds for over 40,000 to 70,000 pounds. Solid Waste Vehicles: $50 for 5,000 pounds or less to $11.50 for each additional 1,000 pounds up to 60,000 pounds. Contractor: $922.50 for $41,000 pounds (minimum) to $22.50 for each additional 1,000 pounds up to 70,000 pounds.	1/2 the fee provided for trucks. A $2.50 inspection fee is assessed in addition to the fees shown.	161.50	80.75	-
New Mexico	Shipping weight groups and age: $27 for 2,000 pounds or less; $39 for 2,001 to 3,000 pounds; $56 for over 3,000 pounds. Fees are $21, $31, and $45, respectively, after 5 years.	21.00	56.00	45.00	Gross weight groups. 12/	$40 for 4,000 pounds or less to $172 for 48,001 pounds and over. Fee reduced 20 percent after 5 years for trucks under 26,000 pounds.	2/3 of regular registration fee for vehicles over 6,000 pounds.	157.00	104.67	172.00
New York	Shipping weight: 86 cents per cwt. or major fraction thereof for 3,500 pounds or less plus $1.29 per cwt. or major fraction thereof over 3,500	17.25	37.00	24.85	Gross weight. A reflectorized plate fee, not to exceed $1.50 above actual cost, rounded to the nearest 25 cents, is assessed when new	$2.88 per 500 pounds gross vehicle weight, or fraction thereof, rounded to the nearest 25 cents.	Agricultural trucks owned by a person engaged in food production, $2.01 per 500 pounds gross vehicle	115.25	80.50	334.25

STATE	1. AUTOMOBILES				2. SINGLE-UNIT TRUCKS				
	FEE BASIS (1)	APPROXIMATE RANGE 3/ FROM (2)	TO (3)	FEE FOR TYPICAL VEHICLE4/ (4)	FEE BASIS (5)	APPROXIMATE FEE RANGE 5/ REGULARREGISTRATION (6)	SPECIAL RATES FOR FARM TRUCKS 6/ (7)	FEE FOR TYPICAL VEHICLES 7/ NON-FARM (8)	FARM (9)	HEAVY SINGLE -UNIT8/ (10)
	pounds rounded to the nearest 25 cents. Minimum $13.80 (less than 6 cylinders); $17.25 (6 cylinders or more). Maximum ' $74.75. $17.25 for electrically propelled vehicles. A reflectorized plate fee, not to exceed $1.50 above actual cost, rounded to the nearest 25 cents, is assessed when new plates are issued.				plates are issued.		weight or fraction thereof, rounded to the nearest 25 cents. Farm vehicles operated upon a highway connecting by the most direct route any farms or portions of a farm under single or common ownership or operation, $1.00 flat fee.			
North Carolina	Flat fee. Passengers cars - $28.	28.00	28.00	28.00	Gross weight and flat fee.	$3.00 plus 59 cents per cwt. For 4,000 pounds or less to $1.54 per cwt. For over 17,000 pounds. Minimum annual fee $28.00	$3.00 plus 29 cents per cwt. For 4,000 pounds or less to 77 cents per cwt. For over 17,000 pounds. Minimum annual fee $24.00	236.40	115.75	870.75
North Dakota	Gross weight and age groups: $49 for 3,199 pounds or less for the 13th and subsequent registrations to $274 for 9,000 pounds and over for the 1st through 6th registrations.	49.00	79.00	57.00	Gross weight and age groups.	$49 for 4,000 pounds or less for the 11th and subsequent registrations to $191 for 26,000 pounds for the 1st through 7th registrations.	Special rate for trucks registered from 20,000 to 105,000 pounds: $65 for 22,000 pounds for the 11th and subsequent registrations to $649 for 105,000 pounds for the 1st through 6th registrations.	109.00	-	632.00
Ohio	Flat fee. A $3.50 service charge and an $11.00 Hwy Safety Fee is included in columns (2) through (4). A 25 cent county tag fee is assessed in to	34.50	34.50	34.50	Gross weight. A $3.50 service charge and an $11.00 Hwy Safety Fee is included in columns (8), (9) and (10). A 50 cent reflectorized plate fee is	$56.00 for 2,000 pounds or less to $1,351 for 80,000 pounds.	Empty weight. License tax is $5.00 plus additional license tax that varies according to the weight of the vehicle.	164.50	67.50	739.50

STATE	1. AUTOMOBILES				2. SINGLE-UNIT TRUCKS					
	FEE BASIS (1)	APPROXIMATE RANGE 3/ FROM (2)	TO (3)	FEE FOR TYPICAL VEHICLE4/ (4)	FEE BASIS (5)	APPROXIMATE FEE RANGE 5/ REGULARREGISTRATION (6)	SPECIAL RATES FOR FARM TRUCKS 6/ (7)	FEE FOR TYPICAL VEHICLES 7/ NON-FARM (8)	FARM (9)	HEAVY SINGLE -UNIT8/ (10)
	the fees shown. A 50 cent reflectorized plate fee is assessed when a new plates are issued. The fee does not include the local tax ranging from $0 to $20 in increments of $5.				assessed when new plates are issued. The fee does not include the local tax ranging from $0 to $20 in increments of $5.					
Oklahoma	Flat fee, value and age: Fee for 1st to 4th year is $85 plus $5.75 in additional fees to the 17th year and over for $15 plus $5.75 in additional fees.	20.00	90.00	100.25	Gross weight and age on trucks up to 15,000 pounds. Over 15,000 pounds based only on gross weight registered. A $1.75 administrative fee and a $3.00 general revenue fund fee are included in columns (8), (9) and (10).	$101.00 for under 15,000 pounds to $1,084.00 for 90,000 pounds. Fee reduced after 5th year on trucks under 15,000 pounds. Minimum fee: $30.00.	Flat fee.	100.00	36.00	653.00
Oregon	Flat fee is for 24 consecutive months. A $1.00 reflectorized plate fee ($2 per automobile) is assessed when new plates are issued.	30.00	30.00	30.00	Gross weight groups. 13/	$15 for 8,000 pounds or less to $415 for 105,500 pounds.	$15 for 8,000 pounds or less to $385 for 105,500 pounds.	190.00	60.00	220.00
Pennsylvania	Flat fee.	$36.00	$36.00	$36.00	Gross weight.	$58.50 for 5,000 pounds or less to $1687.50 for 80,000 pounds.	$76.50 or 1/3 of the standard annual fee for class, whichever is greater. 14/	$355.50	$188.50	$882.00
Rhode Island	Gross weight groups. A $1.50 technology fee is assessed at each 2 year renewal.	30.00	70.00	30.00	Gross weight groups. A $1.50 technology fee is assessed at each 2 year renewal.	$34 for 4,000 pounds or less to $972 for 74,000 pounds plus $24.00 per 2,000 pounds over 74,000 pounds.	A flat fee of $10 for all farm vehicles.	194.00	10.00	140.00
South Carolina	Flat fee for a 2-year period.	24.00	24.00	24.00	Gross weight groups.	$30 for 4,000 pounds or less to $1,600 for 80,000 pounds.	$12 for 26,499 pounds or less to $120 for 80,000 pounds.	195.50	15.00	844.00

STATE	1. AUTOMOBILES				2. SINGLE-UNIT TRUCKS				
	FEE BASIS (1)	APPROXIMATE RANGE 3/ FROM (2)	TO (3)	FEE FOR TYPICAL VEHICLE4/ (4)	FEE BASIS (5)	APPROXIMATE FEE RANGE 5 / REGULARREGISTRATION (6)	SPECIAL RATES FOR FARM TRUCKS 6 / (7)	FEE FOR TYPICAL VEHICLES 7/ NON-FARM (8)	FARM (9)	HEAVY SINGLE -UNIT8/ (10)
South Dakota	Shipping weight groups and age: $30.00 for 2,000 pounds or less to $55.00 for 4,001 to 6,000 pounds, inclusive. Fee reduced 30 percent when vehicle is 5 or more years old. Additional fee for Solid Waste Management of $0.25 per tire, not to exceed $1.00 per vehicle.	21.00	40.00	30.00	Shipping weight groups and age.	$48 for 6,001 pounds to 8,000 pounds. Additional fees for vehicles over 8,000 pounds. Fee reduced 30 percent when vehicle is 5 or more years old.	No special rates.	49.00	49.00	873.00
Tennessee	Flat fee. A $2.50 clerk's fee is included in columns (2) through (4). A $1.00 reflectorized plate fee is assessed when new plates are issued.	23.00	23.00	23.00	Gross weight groups.	$39.75 for 9,000 pounds or less to $1,334.25 for 80,000 pounds.	$19.50 for 9,000 pounds or less to $493.75 for 80,000 pounds.	360.25	129.75	898.25
Texas	Age groups or flat rate and gross weight. $40.50 for model year more than 6 years from date of annual registration to $58.50 for model year 3 years or less from date of annual registration. $25.00 plus 60 cents per cwt. for vehicles over 6,000 pounds. A 30 cent reflectorized plate fee is included in columns (2) through (4).	40.80	58.80	50.80	Flat fee plus gross weight groups. A 30 cent reflectorized plate fee is included in columns (8) and (9).	$25.00 plus 44 cents per cwt. For 6,000 pounds or less to 99 cents per cwt. for over 31,000 pounds. Diesel trucks pay 11 percent additional fee.	1/2 regular fee plus $5.	180.07	95.19	-
Utah	Flat fee. A $2.50 driver education fee is included in columns (2) through (4). A $1.00 reflectorized plate fee	22.50	49.50	22.50	Gross weight groups.	$22.50 for 12,000 pounds or less. For over 14,000 pounds add $18.50 for each 2,000 pounds or fraction thereof in excess. Vehicles over 80,000 pounds must purchase an overweight permit, and if over length, an oversize permit as well.	$22.50 for 12,000 pounds or less. $33.00 for 12,001 pounds to 14,000 pounds. Add $9.00 for	105.00	60.00	419.50

STATE	1. AUTOMOBILES				2. SINGLE-UNIT TRUCKS					
	FEE BASIS (1)	APPROXIMATE FEE RANGE 3/ FROM (2)	TO (3)	FEE FOR TYPICAL VEHICLE4/ (4)	FEE BASIS (5)	APPROXIMATE FEE RANGE 5/ REGULARREGISTRATION (6)	SPECIAL RATES FOR FARM TRUCKS 6/ (7)	FEE FOR TYPICAL VEHICLES 7/ NON-FARM (8)	FARM (9)	HEAVY SINGLE -UNIT8/ (10)
	($2.00 per automobile) is assessed when new plates are issued.					Annual permits for overweight vehicles are $300.00, and for oversize vehicles are $50.00.	each 2,000 pounds or fraction thereof in excess of 14,000 pounds. Farm trucks in excess of 80,000 pounds or over length must purchase overweight and/or oversize permits with the same limits as regular registrations.			
Vermont	Flat fee. A $1.00 emission fee is assessed in addition to the fees shown.	59.00	59.00	59.00	Gross weight groups. A $1.00 emission fee is assessed in addition to the fees shown.	$59.00 for less than 6,000 pounds to $20.42 per 1,000 pounds for over 80,000 pounds. additional fees of $29.00 for 10,000 pounds to $319.07 for 60,000 pounds and over.	$40 for less than 18,000 pounds to $189 for over 55,000 pounds	271.00	40.00	-
Virginia	Shipping weight groups: $33.00 for 4,000 pounds or less; $38.00 for over 4,000 pounds. A $1.50 State Police Inspection fee and $4.00 Emergency Medical Service fee are included in columns (2) through (4).	39.50	44.50	39.50	Flat fee plus fee based on gross weight. A $1.50 State Police inspection fee and an additional $5.00 fee for vehicles over 6,500 pounds are included in columns (8) and (10).	$13.00 flat fee plus $2.60 per 1,000 pounds for 10,001 pounds to $13.25 per 1,000 pounds for 80,000 pounds. Minimum fee of $34.00 for vehicles with gross weight of 6,501 pounds to 10,000 pounds. 15/	Vehicles exclusively on the farm or on highways connecting farms, not in excess of twenty miles, are exempt from registration. Other two-axle farm vehicles 7,500 pounds or more pay 1/2 of fee per thousand pounds of gross	131.50	56.00	599.50
Washington	Flat $30.00 fee. A $2.00 reflectorized plate fee ($4.00 per automobile) is assessed when new plates are issued. A $3.00 filing fee is included in each registration. A passenger vehicle weight fee is included	$43.75	$43.75	$43.75	Declared gross weight groups including surcharge. A $2.00 reflectorized plate fee ($4.00 per automobile) is assessed when new plates are issued. A $3.00 filing fee is included in each registration. A	$40.00 for up to 4,000 pounds to $501.00 for 40,000 pounds.	$27.50 for 4,000 pounds or less to $263 for 40,000 pounds. Trucks operating within 15 miles of farm require only a $5 decal and are exempt from regular registration. A $3.00 filing	$171.00	$98.00	$771.00

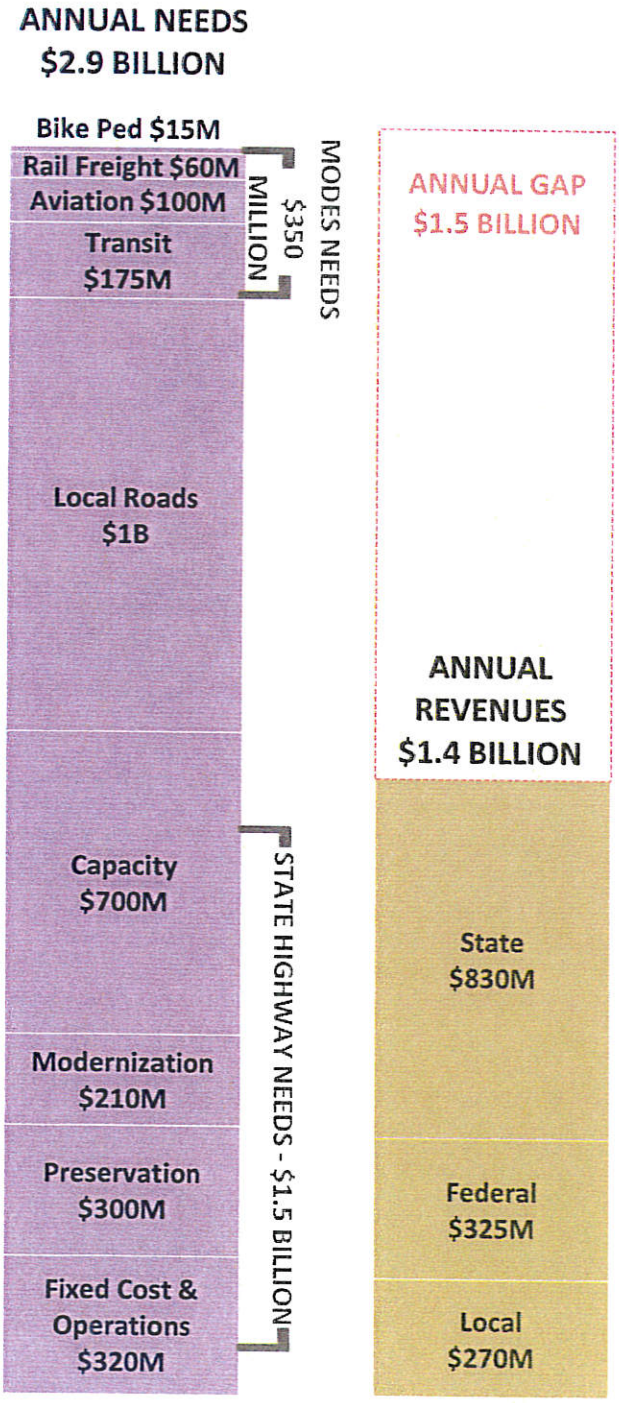
STATE	1. AUTOMOBILES				2. SINGLE-UNIT TRUCKS				
	FEE BASIS (1)	APPROXIMATE RANGE 3/ FROM (2)	APPROXIMATE RANGE 3/ TO (3)	FEE FOR TYPICAL VEHICLE4/ (4)	FEE BASIS (5)	APPROXIMATE FEE RANGE 5 / REGULARREGISTRATION (6)	APPROXIMATE FEE RANGE 5 / SPECIAL RATES FOR FARM TRUCKS 6 / (7)	FEE FOR TYPICAL VEHICLES 7/ NON-FARM (8)	FEE FOR TYPICAL VEHICLES 7/ FARM (9)	HEAVY SINGLE -UNIT8/ (10)
	in each registration. This fee varies by scale weight. The typical weight vehicle 3/ or 4/ would be assessed a $10.00 vehicle weight fee. A $0.75 Licensing Services fee is included in each registration. Average weight vehicles as listed below, powered by natural gas or liquefied petroleum gas are assessed an additional fee of $135.00. A $5.00 filing fee is included in each registration.				passenger vehicle weight fee is included in each registration. This fee varies by scale weight. The typical weight vehicle 3/ or 4/ would be assessed a $10.00 vehicle weight fee. A $0.75 Licensing Services fee is included in each registration.		fee is included in each registration. A $0.75 Licensing Services fee is included in each registration.			
West Virginia	Flat fee. A $1.50 additional fee is included in columns (2) through (4).	30.00	30.00	30.00	Gross weight groups. A $1.50 additional fee is included in	$28.50 for 4,000 pounds or less to $78.50 for 16,000 pounds, plus $10.00 per	$30 for 8,001 pounds to $250 for	90.00	61.50	754.75
Wisconsin	Flat fee.	75.00	75.00	75.00	Gross weight groups.	$75.00 for 4,500 pounds or less to $2,560.00 for 80,000 pounds.	$45 for 12,000 pounds or less, 1/4 regular fee for over 12,000 pounds.	356.00	89.00	1,135.00
Wyoming	Flat fee.	15.00	15.00	15.00	Empty weight groups. 16/	$2 for 1,000 pounds or less to $60 for 6,001 pounds or over.	No special rates.	60.00	60.00	60.00

Part 2

This page last modified on 08/22/08

STATE FUNDING

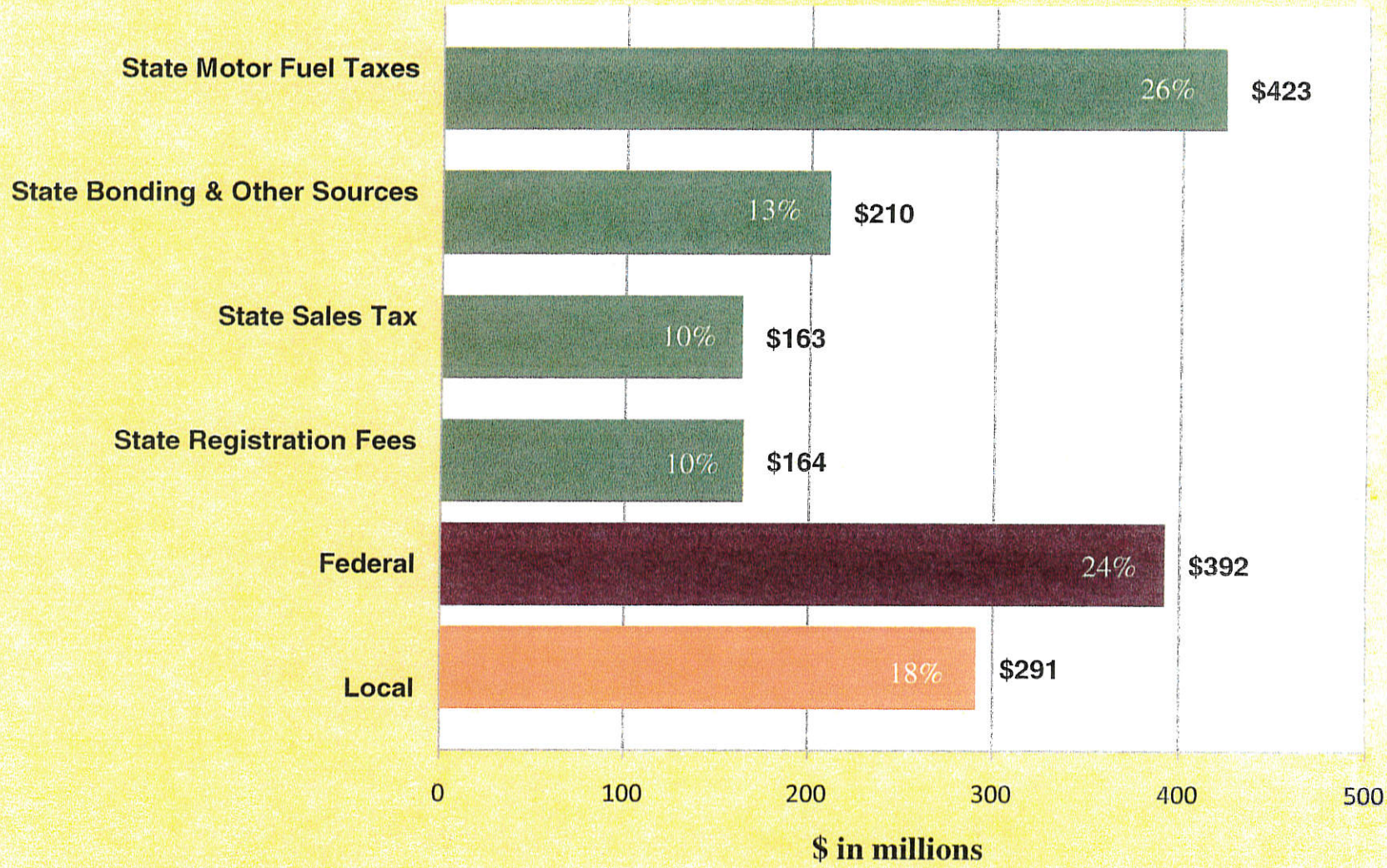
Projected Transportation Needs and Revenues



Source: Kansas Department of Transportation

Transportation Funding by Source

(average annual amount 2000-2009



Source: Kansas Department of Transportation

Memorandum

Identifying Information: **Tax Rates**
Tax Type: **Motor Vehicle Fuel Tax**
Brief Description: **Historical Tax Rates from 1925 to Present**
Keywords:

Body:

Kansas Department of Revenue, Research and Revenue Analysis

Kansas Motor Fuel Tax Rates
[Motor fuels tax is per gallon; trip permits are each; oil inspection fee is per barrel (50 gallons)]

Legislative Session Year	Effective Date	Fiscal Year	Gasoline	Gasohol	E-85 Gasohol	Diesel	LP-Gas	Compressed Natural Gas*	Motor Carrier Trip Permits	Inventory Tax	Oil Inspection Fee (bbl)
1925	5-1-25	1925	$0.02								
1929	4-29-29	1929	$0.03								
1935	7-1-35	1936	$0.03								
1941	7-1-41	1942	$0.03			$0.03	$0.03				$0.03
1945	3-1-46	1946	$0.04			$0.04	$0.04				$0.03
1949	4-1-49	1949	$0.04			$0.04	$0.04				$0.03
1949	7-1-49	1950	$0.05			$0.05	$0.05				$0.005
1955	7-1-56	1956	$0.05			$0.07	$0.07				$0.005
1956	7-1-56	1957	$0.05			$0.07	$0.05				$0.005
1957	7-1-57	1958	$0.05			$0.07	$0.07				$0.005
1959	7-1-59	1959	$0.05			$0.07	$0.05				$0.005
1969	7-1-69	1970	$0.07			$0.08	$0.05			$0.02	$0.005
1971	7-1-76	1972	$0.07			$0.08	$0.05		$3.00	$0.02	$0.005
1976	7-1-77	1977	$0.08			$0.10	$0.07		$3.00	$0.01	$0.005
1977	3-1-76	1978	$0.08			$0.10	$0.07		$5.00	$0.01	$0.005
1979	7-1-77	1980	$0.08	$0.03		$0.10	$0.07		$5.00	$0.01	$0.005
1979	7-1-79	1981	$0.08.	$0.04		$0.10	$0.07		$5.00	$0.01	$0.005
1979	7-1-80	1982	$0.08	$0.05		$0.10	$0.07		$5.00	$0.01	$0.005
KAR*	7-1-81	1982	$0.08	$0.05		$0.10	$0.07	$0.07	$5.00	$0.01	$0.005
1979	5-1-82	1983	$0.08	$0.06		$0.10	$0.07	$0.07	$6.00	$0.02	$0.005
1983	7-1-83	1984	$0.10	$0.06		$0.12	$0.09	$0.09	$6.50	$0.02	$0.005
1983	1-1-84	1984	$0.11	$0.06		$0.13	$0.10	$0.10	$6.50	$0.01	$0.005

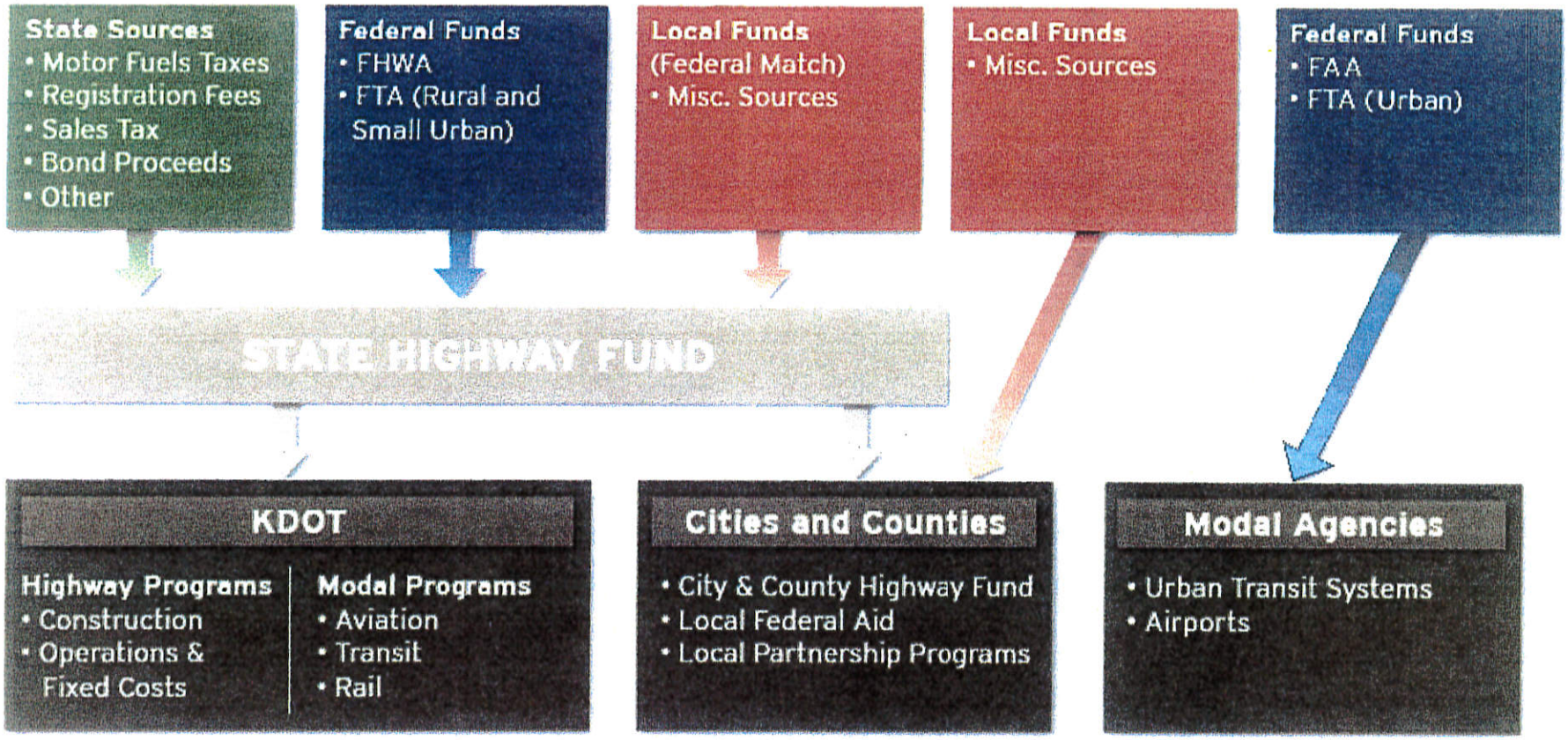
1985	7-1-85	1986	$0.11	$0.07		$0.13	$0.10	$0.10	$6.50	$0.01	$0.005
1985	7-1-86	1987	$0.11	$0.08		$0.13	$0.10	$0.10	$6.50	$0.01	$0.005
1987	7-1-87	1988	$0.11	$0.11		$0.13	$0.10	$0.10	$6.50	$0.03	$0.005
1989	7-1-89	1990	$0.15	$.0.15		$0.17	$0.14	$0.14	$8.50	$0.04	$0.005
1989	7-1-90	1991	$0.16	$0.16		$0.18	$0.15	$0.15	$9.00	$0.01	$0.005
1989	7-1-91	1992	$0.17	$0.17		$0.19	$0.16	$0.16	$9.50	$0.01	$0.005
1989	7-1-92	1993	$0.18	$0.18		$0.20	$0.17	$0.17	$10.00	$0.01	$0.005
1990	7-1-90	1991									$0.01
1996	7-1-96	1997									$0.015
1999	7-1-99	2000	$0.20	$0.20		$0.22	$0.19	$0.19	$11.00	$0.02	$0.015
2001	**7-1-01**	**2002**	**$0.21**	**$0.21**		**$0.23**	**$0.20**	**$0.20**	**$11.50**	**$0.01**	**$0.015**
2002	**7-1-02**	**2003**	**$0.23**	**$0.23**		**$0.25**	**$0.22**	**$0.22**	**$12.50**	**$0.02**	**$0.015**
2002	**7-1-03**	**2004**	**$0.24**	**$0.24**		**$0.26**	**$0.23**	**$0.23**	**$13.00**	**$0.01**	**$0.015**
2006	**1-1-07**	**2007**			**$0.17**						

* Kansas Administrative Regulations, 92-14-9. 120 cubic feet of compressed natural gas equals one gallon.

Sources: Kansas Statutes Annotated: 55-426;79-34,141;79-34,118 and KAR 92-14-9
Kansas Department of Revenue, Motor Fuel Tax Section
Kansas Legislative Research, KANSAS TAX FACTS, various
Kansas Department of Transportation, SELECTED STATISTICS, various
Kansas Administrative Regulations

Date Composed: 10/06/1997 Date Modified: 03/29/2007

Transportation Funding in Kansas



State Highway Fund - Debt Summary (In Millions)
10/24/08

State Highway Fund (SHF) Debt authorized		
Comprehensive Highway Program	$ 890	
Comprehensive Transportation Program (initial)	995	
Comprehensive Transportation Program (supplemental)	277	
Total	$ 2,162	
Debt issued for benefit of SHF, backed by State General Fund appropriation	$ 210	
SHF Principal currently outstanding		
Variable Rate Debt *	$ 201	12%
Variable Rate Debt that is synthetically fixed **	705	41%
Fixed Rate Debt	801	47%
Total	$ 1,707	
SHF estimated annual debt service (principal and interest) in FY 2010 through FY 2012. Due to the variable rate component, actual will vary. In subsequent years the debt service will decline.	$ 170	

	Principal Paid	Balance
SHF principal currently outstanding		$ 1,707
Duration of FY 09	$ 20	1,686
FY 2010	100	1,587
FY 2011	105	1,482
FY 2012	110	1,372
FY 2013	107	1,264
FY 2014	103	1,161
FY 2015	113	1,048
FY 2016	75	973
FY 2017	48	925
FY 2018	115	810
FY 2019	119	691
FY 2020	122	569
FY 2021	129	440
FY 2022	132	308
FY 2023	126	182
FY 2024	85	97
FY 2025	97	0

* The interest rate on variable rate debt is reset periodically, generally every 7 days.

** Synthetically fixed rate debt involves the payment of a variable interest rate to bondholders, and a contract with a counterparty whereby KDOT pays a fixed rate of interest in exchange for a variable rate of interest from the counterparty. The variable rate of interest received conceptually equals the variable rate paid bondholders. The synthetically fixed rate debt paid by the issuer is lower than the interest rate on plain vanilla fixed rate debt.

The maximum duration of State Highway Fund debt is twenty years.

Assuming any new debt bears interest at 5% and is repaid with level debt service, the annual cash outflow is roughly 8% of the debt issued. On $100, the debt service is $8.

FEDERAL LEGISLATION
RECENTLY ENACTED

An Act

Sept. 15, 2008
[H.R. 6532]

To amend the Internal Revenue Code of 1986 to restore the Highway Trust Fund balance.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RESTORATION OF HIGHWAY TRUST FUND BALANCE.

26 USC 9503.

(a) IN GENERAL.—Subsection (f) of section 9503 of the Internal Revenue Code of 1986 (relating to determination of trust fund balances after September 30, 1998) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and by moving such subparagraphs 2 ems to the right,

(2) by striking "For purposes" and inserting the following: "(1) IN GENERAL.—For purposes",

(3) by moving the flush sentence at the end of paragraph (1), as so amended, 2 ems to the right, and

(4) by adding at the end the following new paragraph:

Appropriation authorization.

"(2) RESTORATION OF FUND BALANCE.—Out of money in the Treasury not otherwise appropriated, there is hereby appropriated to the Highway Trust Fund $8,017,000,000.".

(b) CONFORMING AMENDMENT.—The last sentence of section 9503(f)(1) of the Internal Revenue Code of 1986, as amended by subsection (a), is amended by striking "subsection" and inserting "paragraph".

26 USC 9503 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Approved September 15, 2008.

LEGISLATIVE HISTORY—H.R. 6532:

CONGRESSIONAL RECORD, Vol. 154 (2008):
July 23, considered and passed House.
Sept. 10, considered and passed Senate, amended.
Sept. 11, House concurred in Senate amendment.

○

H.R. 6355, THE "AIR SERVICE IMPROVEMENT ACT OF 2008"

H.R. 6355, the "Air Service Improvement Act of 2008", requires air carriers and large- and medium-hub airports to file emergency contingency plans with the Secretary of Transportation for review and approval. The Secretary may establish minimum standards for plans and require airlines to modify the plans they submit. These plans must detail how the air carrier will provide food, water, restroom facilities, cabin ventilation, and medical treatment for passengers onboard an aircraft that is on the ground for an extended period of time without access to the terminal. The plans must also detail how facilities and gates will be shared. The air carriers must update their plans every three years. The airports must update their plans every five years. If airlines do not comply with the requirements of their plan, they are subject to a $25,000 per day penalty. H.R. 6355 requires the Department of Transportation ("DOT") to establish and properly advertise a consumer complaints hotline number for the DOT Aviation Consumer Protection Division and to collect and publish data pertaining to cancelled and diverted flights of air carriers. The bill establishes an Advisory Committee for Aviation Consumer Protection at DOT and provides several studies to provide oversight of customer protections.

H.R. 6355 also mandates a fair and equitable contract negotiation for Federal Aviation Administration ("FAA") air traffic controllers by requiring the FAA and the National Air Traffic Controllers Association to return to the bargaining table under the last mutual agreement. The parties are required to resume negotiations, patterned after the process in Postal Service regulations, until a new contract is adopted. If an agreement is not reached within 45 days after negotiations resume, then the dispute would be submitted to binding arbitration. In the interim period, affected employees are eligible for back pay, subject to the availability of appropriations, not to exceed $20 million.

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
H.R. 6052, THE "SAVING ENERGY THROUGH PUBLIC TRANSPORTATION ACT OF 2008"
June 12, 2008

BACKGROUND

In 2007, Americans took more than 10.3 billion trips on public transportation, the highest level in 50 years. Public transportation use is up 32 percent since 1995, a figure that is more than double the growth rate of the population and up substantially over the growth rate for vehicle miles traveled on our nation's highways for that same period. Public transportation use saves fuel, reduces emissions, and saves money. Public transportation use saves the United States the equivalent of 4.2 billion gallons of gasoline annually, or more than 11 million gallons of gasoline per day. Public transportation use is estimated to reduce carbon dioxide emissions by 37 million metric tons annually. A commuter who switches from driving to work alone to public transportation can reduce carbon dioxide emissions by 20 pounds per day, or more than 4,800 pounds in a year. Public transportation use provides an affordable alternative to driving, as households that use public transportation save an average of $6,251 every year. As such, increasing public transportation use is a priority of the Committee on Transportation and Infrastructure.

A primary objective of H.R. 6052, the "Saving Energy Through Public Transportation Act of 2008", is to reduce the United States dependence on foreign oil by encouraging more people to use public transportation. According to a recent study, if Americans used public transit at the same rate as Europeans – for roughly 10 percent of their daily travel needs – the United States could reduce its dependence on imported oil by more than 40 percent, nearly equal to the 550 million barrels of crude oil that we import from Saudi Arabia each year.

H.R. 6052, THE "SAVING ENERGY THROUGH PUBLIC TRANSPORTATION ACT OF 2008"

To increase public transportation use across the United States, H.R. 6052, the "Saving Energy Through Public Transportation Act of 2008":

- ***Authorizes $1.7 Billion of Capital and Operating Funds for Transit Agencies to Reduce Fares and Expand Transit Services.*** This section authorizes $850 million (General Fund) for each of fiscal years 2008 and 2009 to allow public transit agencies to reduce transit fares and expand transit services. These funds will allow transit agencies to provide incentives for commuters to choose transit options, thereby reducing our nation's transportation-related energy consumption and reliance on foreign oil, as well as decreasing its greenhouse gas emissions. These funds will be distributed under current law urban and rural transit formulas (49 U.S.C. 5307 and 49 U.S.C. 5311, respectively). The Federal share for these grants is 100 percent and funds will only be available for a two-year period.

- ***Increases the Federal Share for Clean Fuel and Alternative Fuel Transit Bus, Ferry, or Locomotive-related Equipment and Facilities from 90 percent to 100 percent.*** Under current law, the Federal share of the portion of transit buses, ferries, or locomotives that is for clean fuel or alternative fuel-related equipment or facilities for compliance with the Clean Air Act is 90 percent. Under the Federal Transit Administration's interpretation

of current law, the total Federal share for alternative fuel buses only increases from 80 percent to 83 percent. The bill increases the Federal share for the alternative fuel vehicle-related equipment from 90 percent to 100 percent of the net project cost for fiscal years 2008 and 2009. As a result, the total Federal share for such buses will be more than 90 percent.

- ***Extends Transit Benefits to All Federal Employees.*** Under current law, all Federal agencies within the National Capital Region are required to establish a transit pass benefits program and offer transit passes to Federal employees. The bill establishes a nationwide Federal transit pass benefits program and requires all Federal agencies in the United States to offer transit passes to Federal employees. The bill also requires that the Department of Transportation ("DOT") to establish specific guidance for implementing the nationwide transit pass benefits program. The guidance will ensure that Federal agencies have the necessary administrative procedures to ensure that Federal employees properly use the program.

  The current law requirement originated with Executive Order 13150, signed by President Clinton on April 21, 2000. The Executive Order required that all Federal agencies within the National Capital Region offer transit passes to Federal employees. It also required the Department of Transportation ("DOT"), the Environmental Protection Agency, and the Department of Energy to implement a nationwide three-year pilot transit pass benefit program for all qualified Federal employees of those agencies.

  The Department of Transportation has determined that both the National Capital Region program and the nationwide pilot program are a success, and recommends that the transit pass benefits program be extended to all Federal employees nationwide.

- ***Establishes a Vanpool Pilot Program.*** The bill establishes a two-year pilot program to allow the amount expended by private providers of public transportation by vanpool for the acquisition of vans to be used as the non-Federal share for matching Federal transit funds in five communities. Under current law, only local public funds may be used as local match, and this pilot program allows private funds to be used in limited circumstances. The provision requires the private providers of vanpool services to use revenues they receive in providing public transportation, in excess of its operating costs, for the purpose of acquiring vans, excluding any amounts the providers may have received in Federal, State, or local government assistance for such acquisition. The Department of Transportation will implement and oversee the vanpool pilot projects, and will report back to Congress on the costs, benefits, and efficiencies of the vanpool demonstration projects.

- ***Increases the Federal Share for Additional Parking Facilities at End-Of-Line Fixed Guideway Stations.*** The bill increases the Federal share for additional parking facilities at end-of-line fixed guideway stations to increase the total number of transit commuters who have access to those stations. The bill increases the Federal share from 80 percent to 100 percent for fiscal years 2008 and 2009.

H.R. 2095, THE RAIL SAFETY IMPROVEMENT ACT OF 2008

DIVISION A – THE RAIL SAFETY IMPROVEMENT ACT OF 2008

H.R. 2095 reauthorizes the Federal Railroad Administration ("FRA") and provides $1.625 billion for our nation's rail safety program over the period encompassing fiscal years 2009 through 2013. The authorization of the rail safety program expired a decade ago, in 1998.

The bill clarifies that the mission of the FRA is to ensure that safety is the highest priority; creates a new position of Chief Safety Officer; requires the Secretary of Transportation to develop a long-term strategy for improving rail safety, which must include an annual plan and schedule for, among other things, reducing the number and rates of accidents, injuries, and fatalities involving railroads; and requires annual reporting from the Secretary on the Department's progress in implementing unmet statutory mandates and open safety recommendations by the Department of Transportation's Inspector General and the National Transportation Safety Board ("NTSB").

WORKER AND PUBLIC SAFETY

- *Mandates Installation of Positive Train Control.* Requires all Class I railroads and intercity passenger and commuter railroads to implement a positive train control system by December 31, 2015, on all main-line track where intercity passenger railroads and commuter railroads operate and where toxic-by-inhalation hazardous materials are transported. In addition, includes a grant program for the deployment of various positive train control technologies, electronically controlled pneumatic brakes, rail integrity inspection and warning systems, switch position indicators, remote control power switch technologies, track integrity circuit technology, and other technologies.

- *Hours of Service Reform.* Provides signal and train crews with additional rest; prohibits them from working in excess of 12 hours; extends hours-of-service standards to railroad contractors; limits limbo time; requires retrofitting or replacement of camp cars; and requires railroads to develop fatigue management plans through a mandatory risk reduction program.

- *Rail Passenger Disaster Family Assistance.* Directs the NTSB to establish a program to assist victims and their families involved in a passenger rail accident, modeled after a similar aviation disaster program.

- *Locomotive Cab Safety.* Requires the FRA to complete a study on the safety impact of the use of personal electronic devices by safety-related railroad employees during the performance of their duties. The study will also look at other elements of the locomotive cab environment that could harm the employee's health and safety. Based upon the results of the study, the Secretary may establish regulations on the use of personal electronic devices in the locomotive cab.

- *Training.* Establishes minimum training standards for railroad workers; requires certification of conductors; and a study on certification of other classes and crafts of employees, including carmen and signal employees.

- *Medical Attention.* Prohibits railroads from denying, delaying, or interfering with the medical or first aid treatment of injured workers, and from disciplining those workers that request treatment. Also requires railroads to arrange for immediate transport of injured workers to the nearest appropriate hospital.

- *Emergency Escape Breathing Apparatus.* Provides emergency breathing apparatus for all crewmembers on freight trains carrying hazardous materials that would pose an inhalation hazard in the event of unintentional release.

TRACK SAFETY

- *Concrete Crossties.* Directs the FRA to develop and implement regulations for all classes of track for concrete rail ties.

- *Track Inspection Time.* Requires the FRA to study track inspection procedures, including time intervals between inspection, repair priorities and methods, the speed of track inspection vehicles, and the territories inspectors must cover.

GRADE CROSSING SAFETY

- *Toll-Free Number to Report Grade Crossing Problems.* Requires the railroads to establish and maintain a toll-free telephone number for reporting malfunctions of grade crossing signals, gates, and other devices and disabled vehicles blocking railroad tracks.

- *Sight Distance.* Requires the FRA to develop model legislation to encourage States to adopt and enforce laws regarding overgrown vegetation, standing railroad equipment, and other obstructions at grade crossings, which can obstruct the view of approaching pedestrians and vehicles.

- *Accident and Incident Reporting.* Requires the FRA to conduct periodic audits of railroads to ensure they are reporting all accidents and incidents to the National Accident Database.

- *National Crossing Inventory.* Requires railroads to report information, including information about warning devices and signage, on grade crossings to enable the FRA to maintain an accurate inventory of such crossings.

- *State Action Plan.* Requires the Secretary to identify on an annual basis the top 10 States that have had the most grade crossing collisions, and to work with them to develop a State grade crossing action plan that identifies specific solutions for improving safety at grade crossings.

- *Emergency Grade Crossing Improvements.* Establishes a grant program to provide emergency grade crossing safety improvements at locations where there has been a grade crossing collision involving a school bus or multiple injuries or fatalities.

ENFORCEMENT

- *Penalties for violations.* Increases civil penalties for certain rail safety violations from $10,000 to $25,000. The minimum civil penalty remains $500. For grossly negligent violations or a pattern of repeated violations, the maximum civil penalty is increased from $20,000 under current law to not more than $100,000. Also increases the maximum penalty for failing to file an accident or incident report from $500 to $2,500.

- *Enforcement Transparency.* Requires the FRA to provide an annual summary to the public of all railroad enforcement actions taken by the Secretary.

- *Railroad Radio Monitoring.* Authorizes the FRA to monitor certain railroad radio communications for the purpose of correcting safety problems and mitigating the likelihood of accidents or incidents.

- *Inspector Staffing.* Increases the number of Federal rail safety inspectors and supporting staff by 200.

OTHER SAFETY HIGHLIGHTS

- *Bridge Safety.* Requires the FRA to issue regulations requiring each track owner to develop and maintain an accurate inventory of its railroad bridges; determine, and update as appropriate, the safe capacity of each bridge; maintain the original design documents of each bridge, if available, and a documentation of all repairs, modifications, and inspections of each bridge; enforce a written procedure that will ensure that its bridges are not loaded beyond their capacities; conduct regular comprehensive inspections of each bridge; and designate qualified bridge inspectors or maintenance personnel to authorize the operation of trains on bridges following repairs, damage, or indication of potential structural problems.

- *Solid Waste Processing Rail Facilities.* Ensures that State governments are able to protect their citizens against environmental hazards, such as noxious fumes or leaks into groundwater, which could result from operation of a waste processing facility by a railroad.

- *Tunnel Information.* Requires railroads to maintain certain information related to structural inspections and maintenance activities for tunnels, and requires railroads to provide periodic briefings to the government of the local jurisdictions in which the tunnels are located, including updates whenever a repair or rehabilitation projects alters the methods of ingress and egress into and out of the tunnels.

H.R. 2095, The Rail Safety Improvement Act of 2008

Division B – the Passenger Rail Investment and Improvement Act of 2008

H.R. 2095 reauthorizes Amtrak and provides a total of $13.06 billion over five years to help bring the Northeast Corridor to a state-of-good-repair, and encourage the development of new and improved intercity passenger rail service through an 80-20 Federal/State matching grant program. It also provides $1.5 billion for the planning and development of high-speed rail corridors.

- *Increases Capital and Operating Grants to Amtrak.* H.R. 2095 authorizes $5.315 billion (an average of $1.063 billion per year) to Amtrak for capital grants and $2.949 billion (an average of $589.8 million per year) for operating grants. Past inconsistent Federal support has hampered Amtrak's ability to replace catenaries, passenger cars, bridges, ties, and other equipment necessary for Amtrak to provide service. These capital grants will help bring the Northeast Corridor to a state-of-good-repair, and allow Amtrak to procure new rolling stock, rehabilitate existing bridges, and make additional capital improvements on its entire network. In addition, the operating grants authorized under the bill will help Amtrak pay salaries, health costs, overtime pay, fuel costs, facilities, and train maintenance and operations. These operating grants will also ensure that Amtrak can meet its obligations under its recently negotiated labor contract.

- *Develops State Passenger Corridors.* In an effort to encourage the development of new and improved intercity passenger rail services, the bill creates a new State Capital Grant program for intercity passenger rail projects. The bill provides $1.9 billion ($380 million per year) for grants to States to pay for the capital costs of facilities and equipment necessary to provide new or improved intercity passenger rail. The Federal share of the grants is up to 80 percent. The Secretary of Transportation would award these grants on a competitive basis for projects based on economic performance, expected ridership, and other factors.

- *Relieves Congestion.* H.R. 2095 authorizes $325 million (an average of $65 million per year) out of the State Capital Grant program for "congestion grants" to Amtrak and the States for high-priority rail corridors to increase capacity along certain lines in order to reduce congestion and facilitate ridership growth.

- *Provides Funding for High-Speed Rail Corridors.* The bill authorizes $1.5 billion ($300 million per year) for grants to States and/or Amtrak to finance the construction and equipment for 11 authorized high-speed rail corridors. The Federal share of the grants is up to 80 percent. The Secretary of Transportation would award these grants on a competitive basis for projects based on economic performance, expected ridership, and other factors.

- *Improves On-Time Performance.* By law, Amtrak is given preference over freight traffic on lines outside the Northeast Corridor. However, many of Amtrak's service routes outside the Northeast Corridor suffer from poor service reliability and on-time performance. This performance prevents Amtrak from retaining and attracting new ridership, and increases Amtrak's operating costs. The Department of Transportation Inspector General recently reported that if Amtrak achieved an 85 percent on-time performance outside the Northeast Corridor in fiscal year 2006, it would have saved Amtrak $136.6 million, or almost one-third of its operating budget. H.R. 2095 empowers the Surface Transportation Board ("STB") to investigate whether and to what extent delays or failures to achieve minimum on-time performance standards is the result of a host rail carrier. If the host rail carrier is found to be at fault, then the STB may award damages that would be used to improve service on the impacted route.

- *Reduces Amtrak's Debt.* Federal support of Amtrak was cut drastically in fiscal year 2000 and 2001, forcing Amtrak to assume a large amount of debt just to stay afloat. Amtrak has aggressively targeted this debt, paying down $600 million from 2002 through 2007. H.R. 2095 helps Amtrak to take further steps to reduce its debt, authorizing $1.404 billion (an average of $280.8 million each year) for debt service through FY 2013. This funding will allow Amtrak to focus its resources on improving existing services and making additional capital and operational improvements.

- *Establishes an RFP for High-Speed Rail Service.* H.R. 2095 directs the Secretary of Transportation to issue a request for proposals for projects for the financing, design, construction, and operation of 11 federally-designated high speed rail corridors. Proposals would need to meet certain financial, labor, and planning criteria, as well as a detailed description to account for any impacts on existing passenger, commuter, and freight rail traffic to be considered. If the Secretary receives a qualifying proposal, she would be directed to form a Commission to study any proposals received. The Secretary would issue a report to the Congress on the Commission's findings and her recommendations for each of the corridors. Any further action on a proposal would need legislative approval by Congress.

- *Resolves Disputes between Commuter and Freight Railroads.* Currently, no Federal guidelines exist to mediate disputes between commuter rail providers and freight railroads over use of freight rail tracks or rights-of-way, nor is there a standard forum for negotiating commuter rail operating agreements. The bill establishes a forum at the STB to help complete stalled commuter rail negotiations, helping our rail network operate as efficiently as possible. This section is identical to a provision of H.R. 2701, the "Transportation Energy Security and Climate Change Mitigation Act of 2007", as ordered reported by the Committee on Transportation and Infrastructure on June 20, 2007.

- *Provides Funding for Washington Metro System.* The bill authorizes $1.5 billion for fiscal years 2009 through 2019 for capital and preventive maintenance grants for the Washington Metropolitan Area Transit Authority ("WMATA"). These funds are not available until WMATA notifies the Secretary of Transportation that certain amendments to the Washington Metropolitan Area Transit Authority Compact have taken effect, including an amendment requiring that all payments by local signatory governments for WMATA for matching Federal funds authorized by this section are derived from dedicated funding sources. In addition, these funds may be used only for the maintenance and upkeep of the Washington Metro system and may not be used to increase the mileage of the rail system. The Federal share of the grants shall be for 50 percent of the net project cost of the project.

H.R. 2095, THE RAIL SAFETY IMPROVEMENT ACT OF 2008

DIVISION B – THE PASSENGER RAIL INVESTMENT AND IMPROVEMENT ACT OF 2008

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An Act

Sept. 15, 2008
[H.R. 6532]

To amend the Internal Revenue Code of 1986 to restore the Highway Trust Fund balance.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RESTORATION OF HIGHWAY TRUST FUND BALANCE.

26 USC 9503.

(a) IN GENERAL.—Subsection (f) of section 9503 of the Internal Revenue Code of 1986 (relating to determination of trust fund balances after September 30, 1998) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and by moving such subparagraphs 2 ems to the right,

(2) by striking "For purposes" and inserting the following: "(1) IN GENERAL.—For purposes",

(3) by moving the flush sentence at the end of paragraph (1), as so amended, 2 ems to the right, and

(4) by adding at the end the following new paragraph:

Appropriation authorization.

"(2) RESTORATION OF FUND BALANCE.—Out of money in the Treasury not otherwise appropriated, there is hereby appropriated to the Highway Trust Fund $8,017,000,000.".

(b) CONFORMING AMENDMENT.—The last sentence of section 9503(f)(1) of the Internal Revenue Code of 1986, as amended by subsection (a), is amended by striking "subsection" and inserting "paragraph".

26 USC 9503 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Approved September 15, 2008.

LEGISLATIVE HISTORY—H.R. 6532:

CONGRESSIONAL RECORD, Vol. 154 (2008):
July 23, considered and passed House.
Sept. 10, considered and passed Senate, amended.
Sept. 11, House concurred in Senate amendment.

○

H.R. 6355, THE "AIR SERVICE IMPROVEMENT ACT OF 2008"

H.R. 6355, the "Air Service Improvement Act of 2008", requires air carriers and large- and medium-hub airports to file emergency contingency plans with the Secretary of Transportation for review and approval. The Secretary may establish minimum standards for plans and require airlines to modify the plans they submit. These plans must detail how the air carrier will provide food, water, restroom facilities, cabin ventilation, and medical treatment for passengers onboard an aircraft that is on the ground for an extended period of time without access to the terminal. The plans must also detail how facilities and gates will be shared. The air carriers must update their plans every three years. The airports must update their plans every five years. If airlines do not comply with the requirements of their plan, they are subject to a $25,000 per day penalty. H.R. 6355 requires the Department of Transportation ("DOT") to establish and properly advertise a consumer complaints hotline number for the DOT Aviation Consumer Protection Division and to collect and publish data pertaining to cancelled and diverted flights of air carriers. The bill establishes an Advisory Committee for Aviation Consumer Protection at DOT and provides several studies to provide oversight of customer protections.

H.R. 6355 also mandates a fair and equitable contract negotiation for Federal Aviation Administration ("FAA") air traffic controllers by requiring the FAA and the National Air Traffic Controllers Association to return to the bargaining table under the last mutual agreement. The parties are required to resume negotiations, patterned after the process in Postal Service regulations, until a new contract is adopted. If an agreement is not reached within 45 days after negotiations resume, then the dispute would be submitted to binding arbitration. In the interim period, affected employees are eligible for back pay, subject to the availability of appropriations, not to exceed $20 million.

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
H.R. 6052, THE "SAVING ENERGY THROUGH PUBLIC TRANSPORTATION ACT OF 2008"
June 12, 2008

BACKGROUND

In 2007, Americans took more than 10.3 billion trips on public transportation, the highest level in 50 years. Public transportation use is up 32 percent since 1995, a figure that is more than double the growth rate of the population and up substantially over the growth rate for vehicle miles traveled on our nation's highways for that same period. Public transportation use saves fuel, reduces emissions, and saves money. Public transportation use saves the United States the equivalent of 4.2 billion gallons of gasoline annually, or more than 11 million gallons of gasoline per day. Public transportation use is estimated to reduce carbon dioxide emissions by 37 million metric tons annually. A commuter who switches from driving to work alone to public transportation can reduce carbon dioxide emissions by 20 pounds per day, or more than 4,800 pounds in a year. Public transportation use provides an affordable alternative to driving, as households that use public transportation save an average of $6,251 every year. As such, increasing public transportation use is a priority of the Committee on Transportation and Infrastructure.

A primary objective of H.R. 6052, the "Saving Energy Through Public Transportation Act of 2008", is to reduce the United States dependence on foreign oil by encouraging more people to use public transportation. According to a recent study, if Americans used public transit at the same rate as Europeans – for roughly 10 percent of their daily travel needs – the United States could reduce its dependence on imported oil by more than 40 percent, nearly equal to the 550 million barrels of crude oil that we import from Saudi Arabia each year.

H.R. 6052, THE "SAVING ENERGY THROUGH PUBLIC TRANSPORTATION ACT OF 2008"

To increase public transportation use across the United States, H.R. 6052, the "Saving Energy Through Public Transportation Act of 2008":

- ***Authorizes $1.7 Billion of Capital and Operating Funds for Transit Agencies to Reduce Fares and Expand Transit Services.*** This section authorizes $850 million (General Fund) for each of fiscal years 2008 and 2009 to allow public transit agencies to reduce transit fares and expand transit services. These funds will allow transit agencies to provide incentives for commuters to choose transit options, thereby reducing our nation's transportation-related energy consumption and reliance on foreign oil, as well as decreasing its greenhouse gas emissions. These funds will be distributed under current law urban and rural transit formulas (49 U.S.C. 5307 and 49 U.S.C. 5311, respectively). The Federal share for these grants is 100 percent and funds will only be available for a two-year period.

- ***Increases the Federal Share for Clean Fuel and Alternative Fuel Transit Bus, Ferry, or Locomotive-related Equipment and Facilities from 90 percent to 100 percent.*** Under current law, the Federal share of the portion of transit buses, ferries, or locomotives that is for clean fuel or alternative fuel-related equipment or facilities for compliance with the Clean Air Act is 90 percent. Under the Federal Transit Administration's interpretation

of current law, the total Federal share for alternative fuel buses only increases from 80 percent to 83 percent. The bill increases the Federal share for the alternative fuel vehicle-related equipment from 90 percent to 100 percent of the net project cost for fiscal years 2008 and 2009. As a result, the total Federal share for such buses will be more than 90 percent.

- ***Extends Transit Benefits to All Federal Employees.*** Under current law, all Federal agencies within the National Capital Region are required to establish a transit pass benefits program and offer transit passes to Federal employees. The bill establishes a nationwide Federal transit pass benefits program and requires all Federal agencies in the United States to offer transit passes to Federal employees. The bill also requires that the Department of Transportation ("DOT") to establish specific guidance for implementing the nationwide transit pass benefits program. The guidance will ensure that Federal agencies have the necessary administrative procedures to ensure that Federal employees properly use the program.

  The current law requirement originated with Executive Order 13150, signed by President Clinton on April 21, 2000. The Executive Order required that all Federal agencies within the National Capital Region offer transit passes to Federal employees. It also required the Department of Transportation ("DOT"), the Environmental Protection Agency, and the Department of Energy to implement a nationwide three-year pilot transit pass benefit program for all qualified Federal employees of those agencies.

  The Department of Transportation has determined that both the National Capital Region program and the nationwide pilot program are a success, and recommends that the transit pass benefits program be extended to all Federal employees nationwide.

- ***Establishes a Vanpool Pilot Program.*** The bill establishes a two-year pilot program to allow the amount expended by private providers of public transportation by vanpool for the acquisition of vans to be used as the non-Federal share for matching Federal transit funds in five communities. Under current law, only local public funds may be used as local match, and this pilot program allows private funds to be used in limited circumstances. The provision requires the private providers of vanpool services to use revenues they receive in providing public transportation, in excess of its operating costs, for the purpose of acquiring vans, excluding any amounts the providers may have received in Federal, State, or local government assistance for such acquisition. The Department of Transportation will implement and oversee the vanpool pilot projects, and will report back to Congress on the costs, benefits, and efficiencies of the vanpool demonstration projects.

- ***Increases the Federal Share for Additional Parking Facilities at End-Of-Line Fixed Guideway Stations.*** The bill increases the Federal share for additional parking facilities at end-of-line fixed guideway stations to increase the total number of transit commuters who have access to those stations. The bill increases the Federal share from 80 percent to 100 percent for fiscal years 2008 and 2009.

H.R. 2095, THE RAIL SAFETY IMPROVEMENT ACT OF 2008

DIVISION A – THE RAIL SAFETY IMPROVEMENT ACT OF 2008

H.R. 2095 reauthorizes the Federal Railroad Administration ("FRA") and provides $1.625 billion for our nation's rail safety program over the period encompassing fiscal years 2009 through 2013. The authorization of the rail safety program expired a decade ago, in 1998.

The bill clarifies that the mission of the FRA is to ensure that safety is the highest priority; creates a new position of Chief Safety Officer; requires the Secretary of Transportation to develop a long-term strategy for improving rail safety, which must include an annual plan and schedule for, among other things, reducing the number and rates of accidents, injuries, and fatalities involving railroads; and requires annual reporting from the Secretary on the Department's progress in implementing unmet statutory mandates and open safety recommendations by the Department of Transportation's Inspector General and the National Transportation Safety Board ("NTSB").

WORKER AND PUBLIC SAFETY

- *Mandates Installation of Positive Train Control.* Requires all Class I railroads and intercity passenger and commuter railroads to implement a positive train control system by December 31, 2015, on all main-line track where intercity passenger railroads and commuter railroads operate and where toxic-by-inhalation hazardous materials are transported. In addition, includes a grant program for the deployment of various positive train control technologies, electronically controlled pneumatic brakes, rail integrity inspection and warning systems, switch position indicators, remote control power switch technologies, track integrity circuit technology, and other technologies.

- *Hours of Service Reform.* Provides signal and train crews with additional rest; prohibits them from working in excess of 12 hours; extends hours-of-service standards to railroad contractors; limits limbo time; requires retrofitting or replacement of camp cars; and requires railroads to develop fatigue management plans through a mandatory risk reduction program.

- *Rail Passenger Disaster Family Assistance.* Directs the NTSB to establish a program to assist victims and their families involved in a passenger rail accident, modeled after a similar aviation disaster program.

- *Locomotive Cab Safety.* Requires the FRA to complete a study on the safety impact of the use of personal electronic devices by safety-related railroad employees during the performance of their duties. The study will also look at other elements of the locomotive cab environment that could harm the employee's health and safety. Based upon the results of the study, the Secretary may establish regulations on the use of personal electronic devices in the locomotive cab.

- *Training.* Establishes minimum training standards for railroad workers; requires certification of conductors; and a study on certification of other classes and crafts of employees, including carmen and signal employees.

- *Medical Attention.* Prohibits railroads from denying, delaying, or interfering with the medical or first aid treatment of injured workers, and from disciplining those workers that request treatment. Also requires railroads to arrange for immediate transport of injured workers to the nearest appropriate hospital.

- *Emergency Escape Breathing Apparatus.* Provides emergency breathing apparatus for all crewmembers on freight trains carrying hazardous materials that would pose an inhalation hazard in the event of unintentional release.

TRACK SAFETY

- *Concrete Crossties.* Directs the FRA to develop and implement regulations for all classes of track for concrete rail ties.

- *Track Inspection Time.* Requires the FRA to study track inspection procedures, including time intervals between inspection, repair priorities and methods, the speed of track inspection vehicles, and the territories inspectors must cover.

GRADE CROSSING SAFETY

- *Toll-Free Number to Report Grade Crossing Problems.* Requires the railroads to establish and maintain a toll-free telephone number for reporting malfunctions of grade crossing signals, gates, and other devices and disabled vehicles blocking railroad tracks.

- *Sight Distance.* Requires the FRA to develop model legislation to encourage States to adopt and enforce laws regarding overgrown vegetation, standing railroad equipment, and other obstructions at grade crossings, which can obstruct the view of approaching pedestrians and vehicles.

- *Accident and Incident Reporting.* Requires the FRA to conduct periodic audits of railroads to ensure they are reporting all accidents and incidents to the National Accident Database.

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NATIONAL SURVEY OF LIKELY VOTERS
APRIL 2008

AMERICAN HIGHWAY USERS ALLIANCE

National Survey of Likely Voters

April 2008

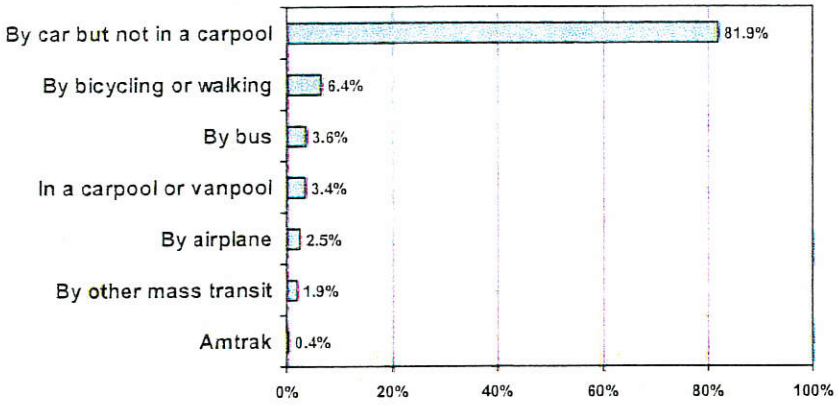
FABRIZIO McLAUGHLIN & ASSOCIATES

Methodology

- **Universe**: Likely Voters
- **Sample Size**: 1,000
- **Error Margin**: ±3.1%
- **Method**: On-Line (email-driven web-based survey to random sample of Survey Sampling Inc. opt-in national panel)
- **Field Dates**: April 4-6, 2008

Voters Spend Most Time Travelling By Car

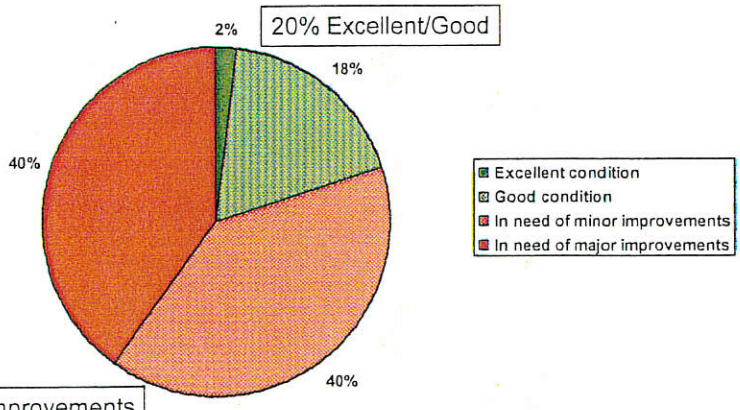
Q: For each of the following forms of transportation, please indicate what percentage of the time you use that form of transportation during the course of a year. Please consider ALL of the places you go, including work, school, shopping, social visits, vacation, etc. All of the percentages entered should add up to 100%



AHUA National Survey of Likely Voters - April 2008 3

Safety Improvements Needed

Q: In terms of safety, please rate your opinion of the condition of the nation's major highways and bridges



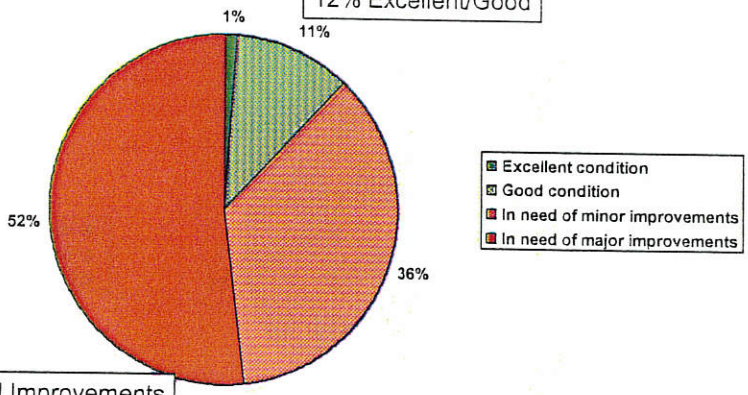
80% Need Improvements

AHUA National Survey of Likely Voters - April 2008 4

Major Congestion Relief Needed

Q: In terms of **congestion**, please rate your opinion of the condition of the nation's major highways and bridges

12% Excellent/Good

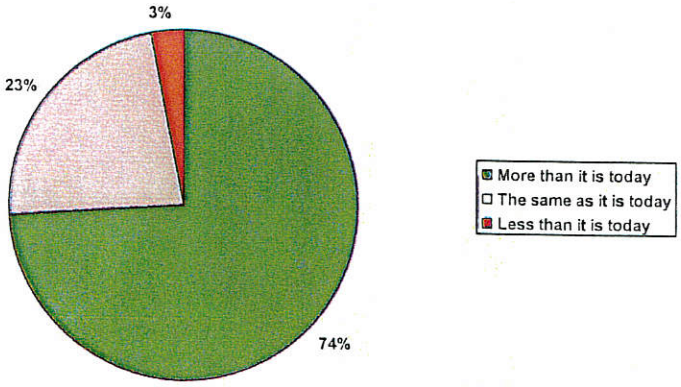


88% Need Improvements

AHUA National Survey of Likely Voters - April 2008 5

Invest More In Highways & Bridges

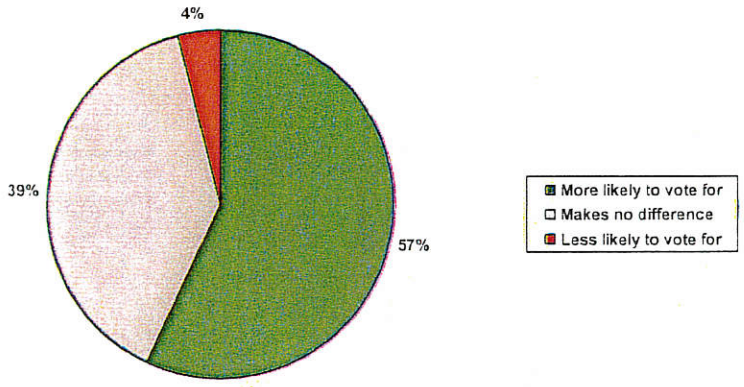
Q: In the next year, should the federal government's investment in highway and bridge improvements be...



AHUA National Survey of Likely Voters - April 2008 6

Candidates Benefit From Talking About Congestion Relief

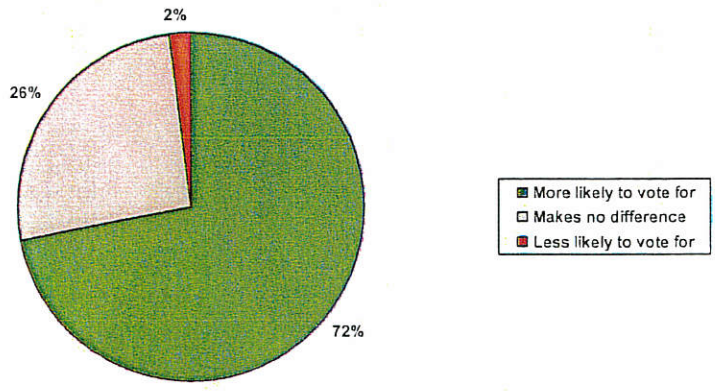
Q: Would you be more likely or less likely to vote for a candidate for Congress who talks about relieving congestion on our nation's highways?



AHUA National Survey of Likely Voters - April 2008 7

Candidates Significantly Benefit From Talking About Safety

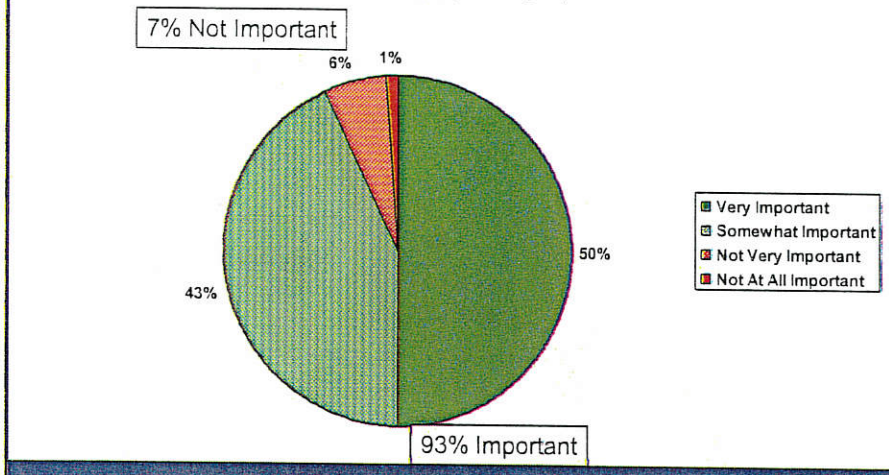
Q: Would you be more likely or less likely to vote for a candidate for Congress who talks about improving the safety of our nation's highways and bridges?



AHUA National Survey of Likely Voters - April 2008 8

Important To Keep Fuel Tax Dedicated To Highways & Bridges

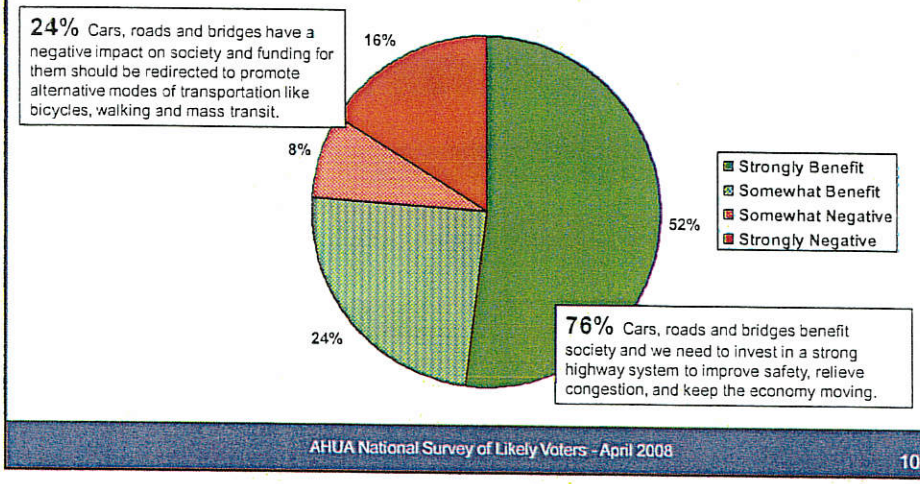
Q: How important is it to you that your elected officials support the position that fuel taxes and other fees collected from highway users should be dedicated only for highway and bridge improvements?



AHUA National Survey of Likely Voters - April 2008 9

Strong Majority See Cars, Roads & Bridges As Benefit To Society

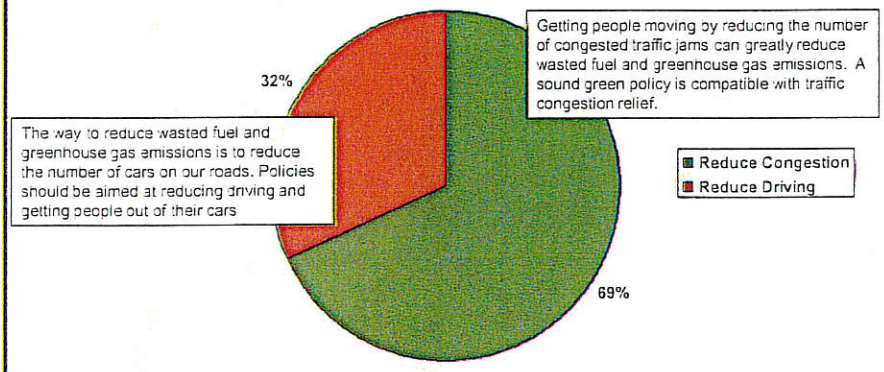
Q: Which of the following two views on transportation policy are closer to your own?



AHUA National Survey of Likely Voters - April 2008 10

Reducing Congestion Better Green Policy Than Reducing Driving

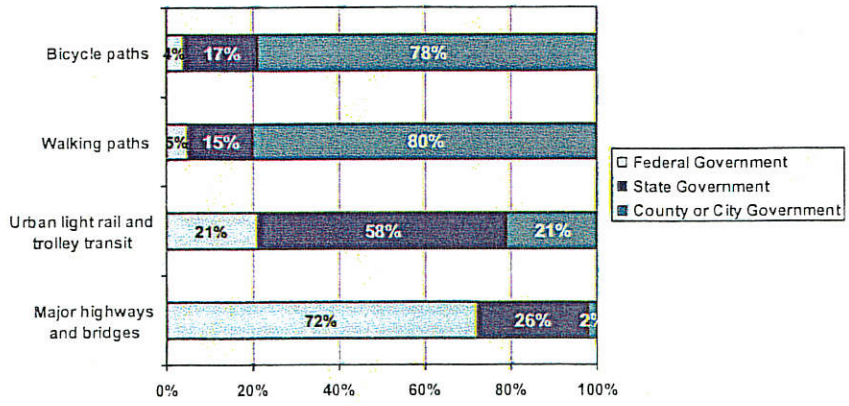
Q: Which of the following approaches to reducing green house gas emissions is closer to your own view?



AHUA National Survey of Likely Voters - April 2008 11

Federal Government Should Lead On Funding Major Highways & Bridges

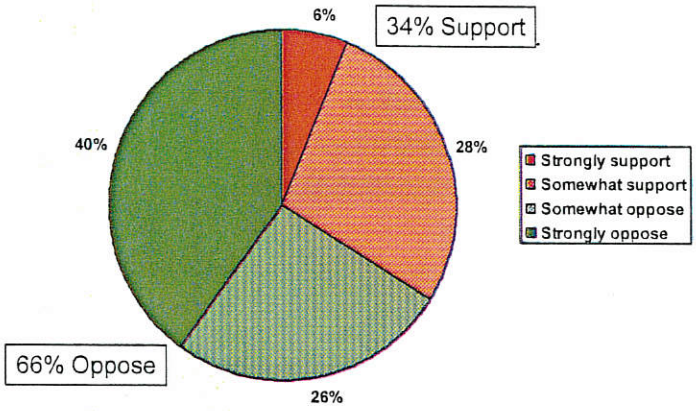
Q: For each of the following types of transportation, please indicate which level of government you think should take the leadership role in funding, the federal government, state, or local governments



AHUA National Survey of Likely Voters - April 2008 12

Strong Opposition To More Tolls On Interstates

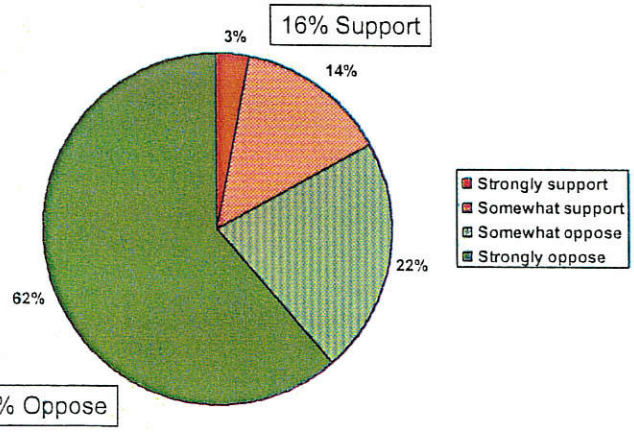
Q: There is an effort in several states to put tolls on Interstate highways to generate revenue for transportation and other government needs. Would you support or oppose Interstate highways becoming toll roads?



AHUA National Survey of Likely Voters - April 2008 13

Strong Opposition To Leasing Public Highways

Q: There is an effort in several states to sell or lease roads to private corporations. The companies would increase tolls and collect money from motorists over several decades. In exchange, the current state government would get cash to give up control of the road. Would you support or oppose selling or leasing existing public highways to companies?



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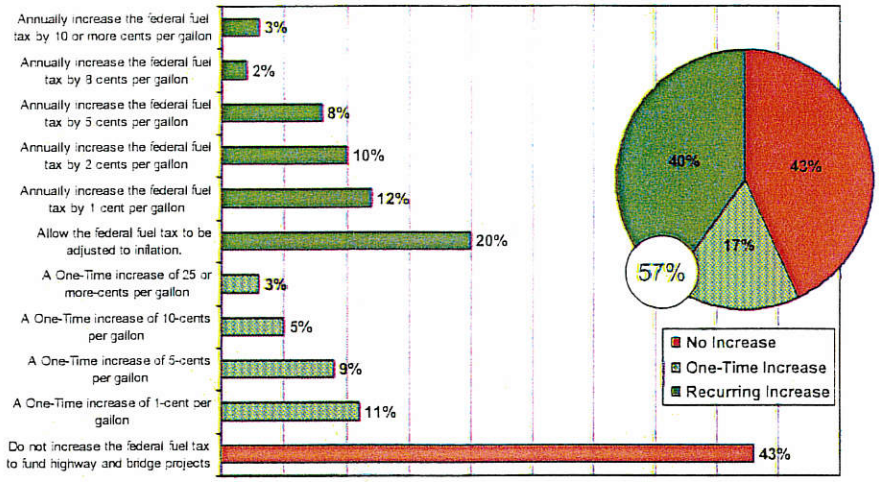
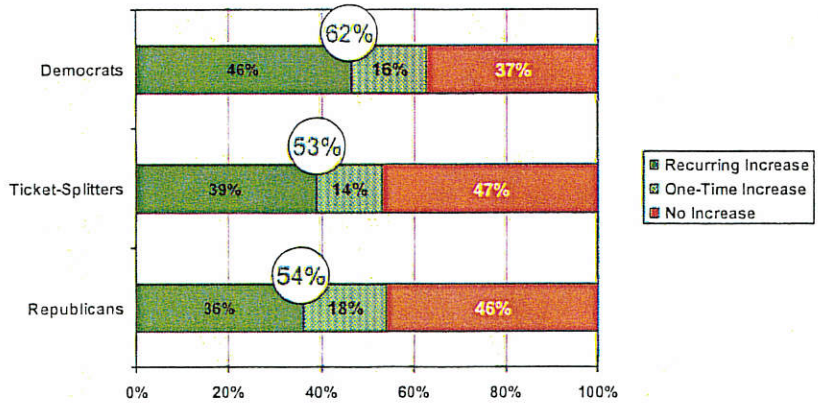
Majority Support Some Increase In Fuel Tax

Q: Highway users pay for roads and bridges by paying federal user fees on gasoline and diesel. The current federal fuel tax hasn't changed in 15 years and is 18.4 cents per gallon. Some have suggested an increase over the next five years to pay for needed transportation projects. Which of the following would you support? (*multiple responses allowed*)



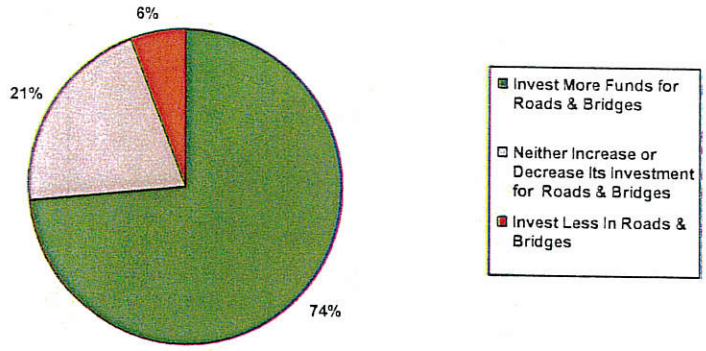
Fuel Tax Increase Opinion By Vote Behavior



Messages: Trust Fund Bankruptcy

Q: Please rate the impact of the information below on your support for increased investment by the federal government on highways and bridges...

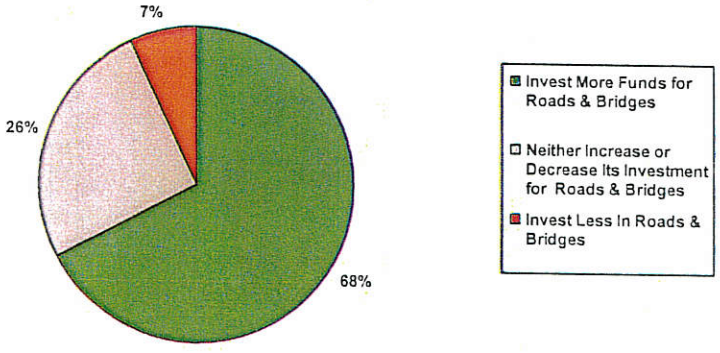
For the first time in its history, the Federal Highway Trust Fund, which is funded by the fuel tax, will be bankrupt in 2009. Without action from Congress, highway funds will be dramatically cut.



Messages: Tax Has Lower Buying Power

Q: Please rate the impact of the information below on your support for increased investment by the federal government on highways and bridges...

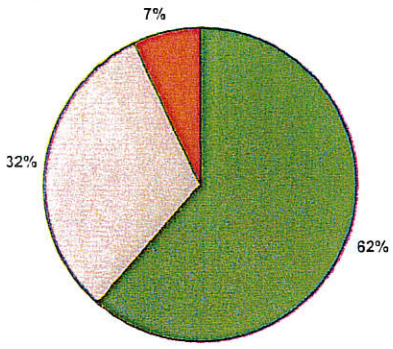
Due to inflation and higher costs for construction materials, today's tax on a gallon of gasoline can only pay for half of the improvements it did 15 years ago. This means every year the government has less to spend keeping our roads and bridges up to date.



Messages: U.S. Losing Competitiveness

Q: Please rate the impact of the information below on your support for increased investment by the federal government on highways and bridges...

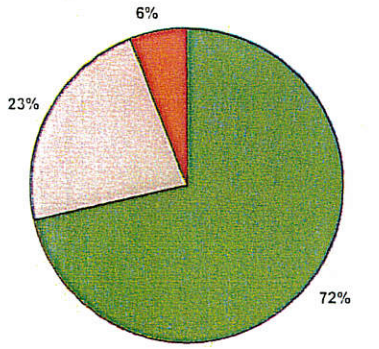
China is building an economy to compete with the U.S. By 2020, China will have a bigger Interstate Highway System then the U.S. to reduce freight delays and move people. China spends 2.5% of its GDP on highways but the U.S. only spends 0.65% of our GDP. If the U.S. does not invest more in its roads and bridges, its international competiveness will only suffer more.



Messages: Improvements Can Save Lives

Q: Please rate the impact of the information below on your support for increased investment by the federal government on highways and bridges...

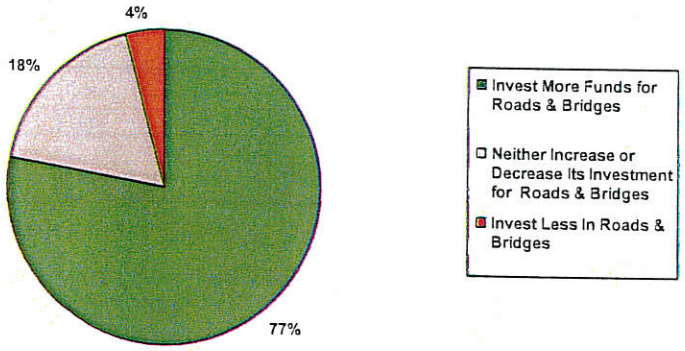
Of the nearly 43,000 lives lost annually on U.S. highways, about 14,000 can be linked to substandard road conditions, obsolete designs or unprotected roadside hazards. Investing more in roads and bridges will save lives.



Messages: Unsafe Bridges

Q: Please rate the impact of the information below on your support for increased investment by the federal government on highways and bridges...

21% of the nation's major highway bridges have been rated by the Federal Highway Administration as either structurally deficient or functionally obsolete. We cannot wait for another bridge collapse to invest in bridge improvements.



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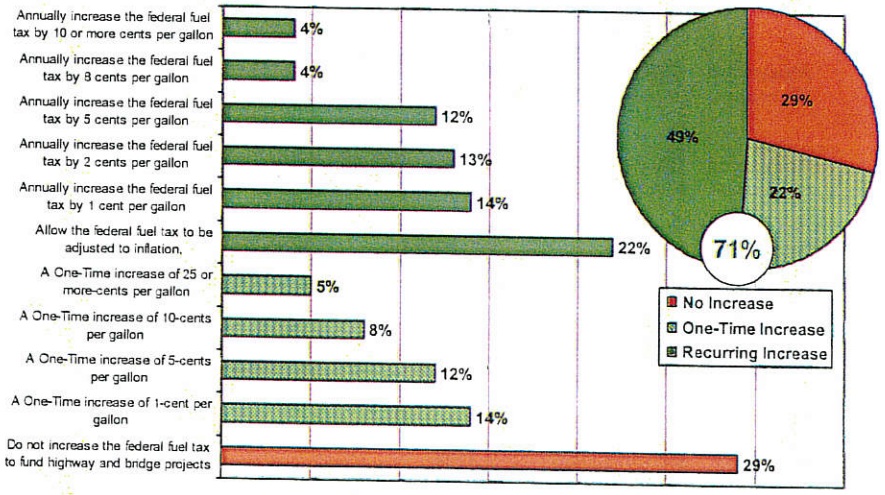
Support For Fuel Tax Increase Grows From 57% to 71% After Messages

Q: As mentioned earlier, the current federal fuel tax, set fifteen years ago, is 18.4 cents per gallon. After reading more information about the state our nation's roads, which of the following would you support?? (*multiple responses allowed*)



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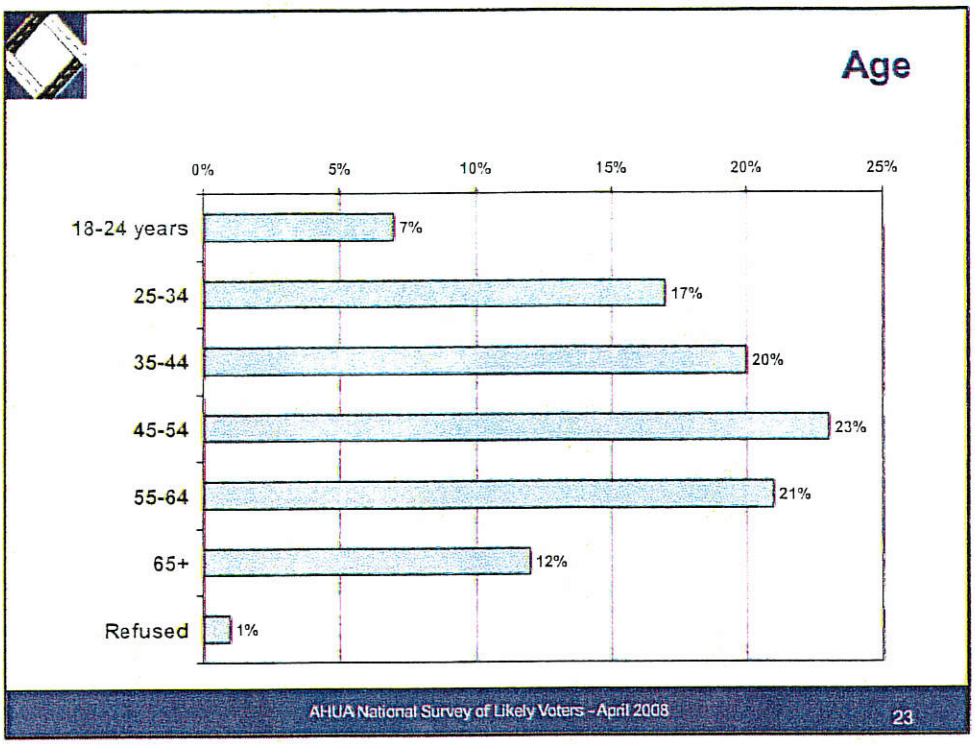
Age
0%
5%
10%
15%
20%
25%
18-24 years
7%
25-34
17%
35-44
20%
45-54
23%
55-64
21%
65+
12%
Refused
1%
AHUA National Survey of Likely Voters - April 2008
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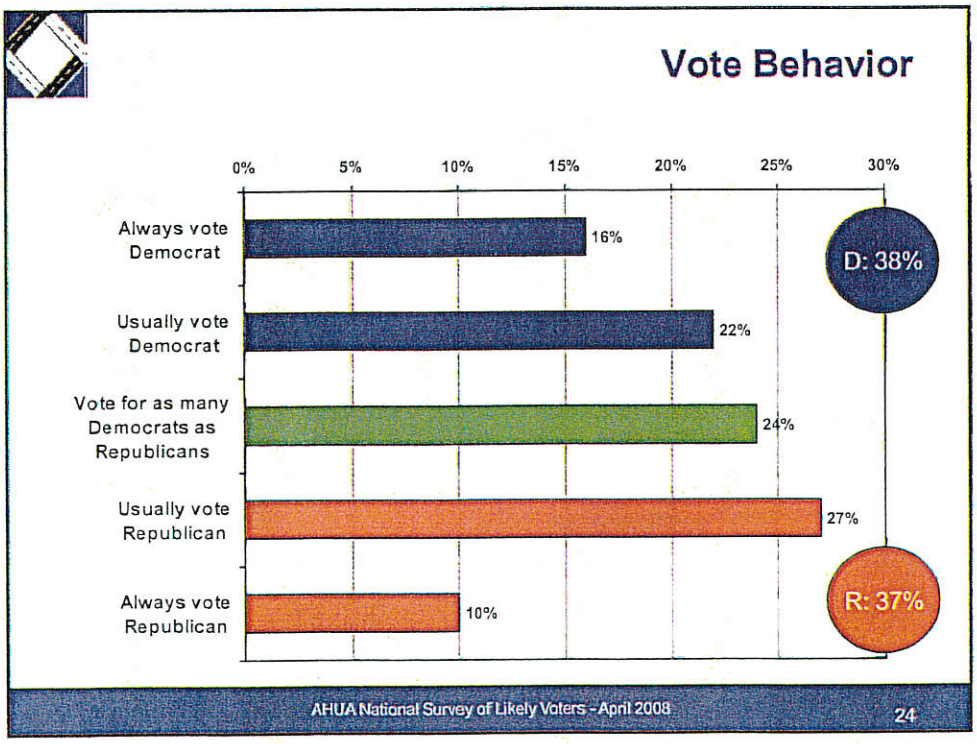
Vote Behavior
0%
5%
10%
15%
20%
25%
30%
Always vote Democrat
16%
Usually vote Democrat
22%
Vote for as many Democrats as Republicans
24%
Usually vote Republican
27%
Always vote Republican
10%
D: 38%
R: 37%
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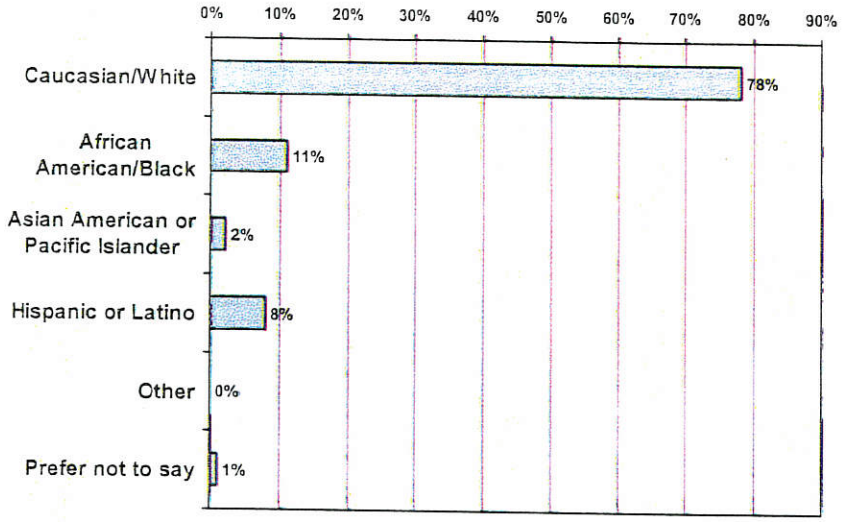
Race/Ethnicity



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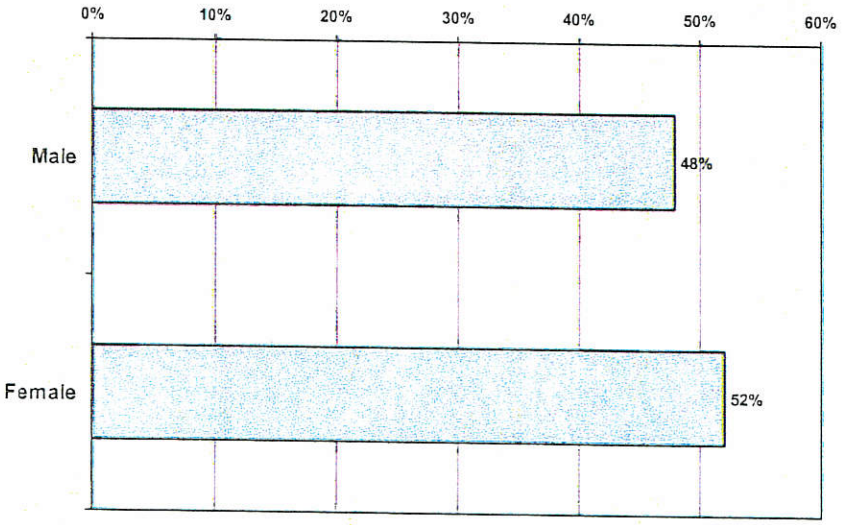
Gender



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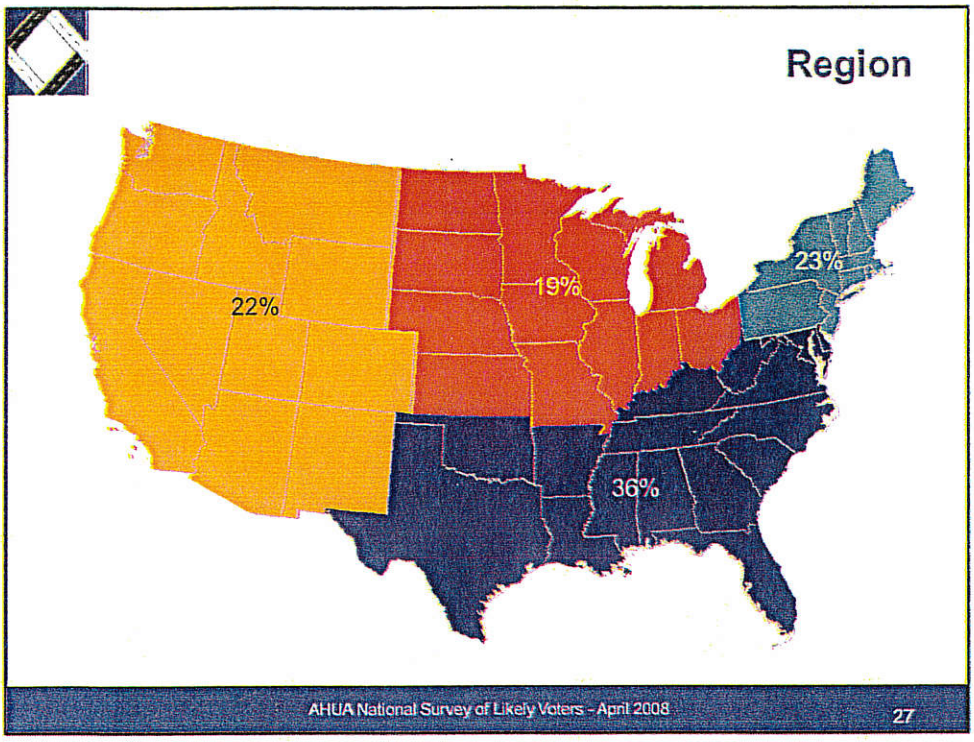
Region
22%
19%
23%
36%
AHUA National Survey of Likely Voters - April 2008
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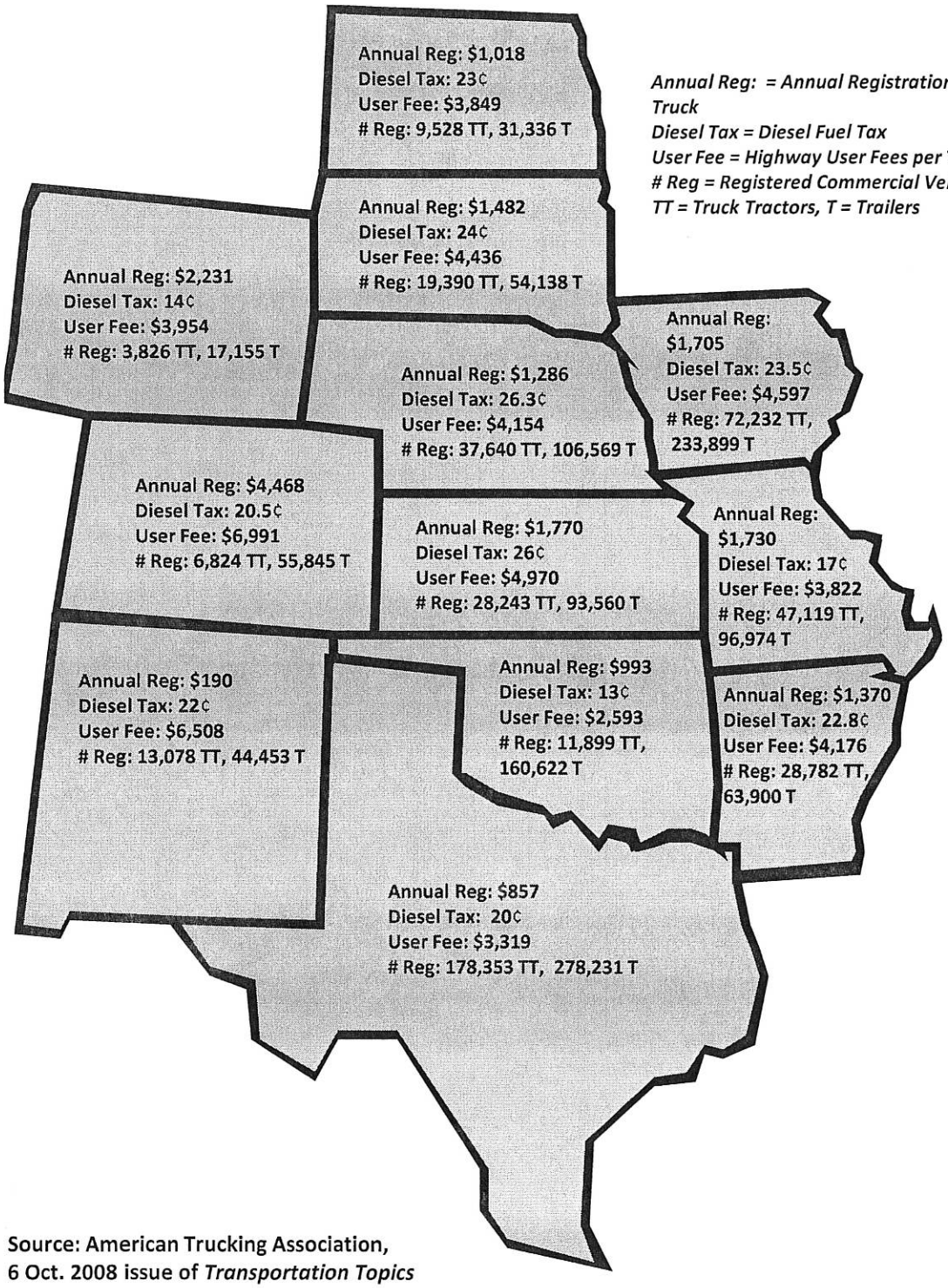
OTHER INFORMATION

Trucking Fees for Kansas and Nearby States



Annual Reg: = Annual Registration per Truck
Diesel Tax = Diesel Fuel Tax
User Fee = Highway User Fees per Truck
 # Reg = Registered Commercial Vehicles; TT = Truck Tractors, T = Trailers

Source: American Trucking Association, 6 Oct. 2008 issue of *Transportation Topics*

State (vs. Local) Share of Highway Spending, 2006

	Region	State (vs. Local) Share
	United States	62.20%
	smallest to largest	
1	Minnesota	39.60%
2	Wisconsin	40.10%
3	Michigan	41.90%
4	New York	44.20%
5	Nevada	44.80%
6	Colorado	46.40%
7	Georgia	52.30%
8	Ohio	52.30%
9	Iowa	54.80%
10	Illinois	54.90%
11	Arizona	55.10%
12	Oregon	55.60%
13	Alabama	58.50%
14	Nebraska	58.70%
15	Washington	58.70%
16	Vermont	59.50%
17	California	59.70%
18	Hawaii	60.20%
19	Oklahoma	60.50%
20	Kansas	60.70%
21	Missouri	62.00%
22	Connecticut	62.70%
23	Idaho	64.90%
24	Florida	65.50%
25	Indiana	66.30%
26	Maryland	66.30%
27	New Jersey	66.40%
28	Mississippi	67.00%
29	New Hampshire	67.40%
30	Maine	67.50%
31	Massachusetts	68.10%
32	Tennessee	68.70%
33	Utah	68.90%
34	North Dakota	69.10%
35	Arkansas	70.00%
36	South Dakota	70.20%
37	Texas	71.20%
38	Louisiana	71.60%
39	Wyoming	73.40%
40	New Mexico	74.40%
41	Virginia	76.40%
42	Rhode Island	76.50%
43	Pennsylvania	78.50%
44	Delaware	79.20%
45	Kentucky	79.90%
46	Montana	80.50%
47	South Carolina	82.50%
48	North Carolina	84.80%
49	Alaska	86.70%
50	West Virginia	92.60%

State & Local Highway Spending Per Capita, 2006

	Region	Per Capita
	United States	$453
	smallest to largest	
1	District of Columbia	$113
2	Georgia	$291
3	Hawaii	$348
4	Massachusetts	$350
5	Michigan	$358
6	Tennessee	$360
7	Connecticut	$365
8	Rhode Island	$372
9	North Carolina	$377
10	Indiana	$380
11	Virginia	$385
12	South Carolina	$392
13	Arizona	$400
14	Arkansas	$403
15	Ohio	$405
16	New Jersey	$411
17	Alabama	$420
18	Illinois	$420
19	Oklahoma	$422
20	California	$426
21	Utah	$426
22	Colorado	$434
23	Maryland	$434
24	Kentucky	$446
25	New York	$452
26	Washington	$462
27	Texas	$471
28	Missouri	$472
29	New Hampshire	$473
30	Oregon	$487
31	Florida	$493
32	Louisiana	$497
33	Idaho	$506
34	Pennsylvania	$544
35	Wisconsin	$586
36	Nevada	$588
37	Minnesota	$593
38	Mississippi	$594
39	Maine	$607
40	West Virginia	$609
41	Vermont	$612
42	New Mexico	$615
43	Nebraska	$623
44	Iowa	$626
45	Kansas	$649
46	Montana	$736
47	South Dakota	$847
48	North Dakota	$899
49	Delaware	$1,059
50	Wyoming	$1,127
51	Alaska	$1,925

State & Local Highway Spending as % of Personal Income, 2006

	Region	% of Personal Income
	United States	1.20%
	smallest to largest	
1	District of Columbia	0.30%
2	Connecticut	0.70%
3	Massachusetts	0.70%
4	New Jersey	0.80%
5	Georgia	0.90%
6	Hawaii	0.90%
7	Maryland	0.90%
8	Rhode Island	0.90%
9	Virginia	0.90%
10	California	1.00%
11	Colorado	1.00%
12	Illinois	1.00%
13	Michigan	1.00%
14	New York	1.00%
15	Indiana	1.10%
16	New Hampshire	1.10%
17	North Carolina	1.10%
18	Tennessee	1.10%
19	Washington	1.10%
20	Arizona	1.20%
21	Ohio	1.20%
22	Oklahoma	1.20%
23	South Carolina	1.20%
24	Texas	1.20%
25	Alabama	1.30%
26	Arkansas	1.30%
27	Florida	1.30%
28	Utah	1.30%
29	Kentucky	1.40%
30	Louisiana	1.40%
31	Minnesota	1.40%
32	Missouri	1.40%
33	Nevada	1.40%
34	Oregon	1.40%
35	Pennsylvania	1.40%
36	Idaho	1.60%
37	Wisconsin	1.60%
38	Delaware	1.70%
39	Nebraska	1.70%
40	Vermont	1.70%
41	Iowa	1.80%
42	Kansas	1.80%
43	Maine	1.80%
44	New Mexico	1.90%
45	Mississippi	2.00%
46	West Virginia	2.10%
47	Montana	2.20%
48	South Dakota	2.50%
49	North Dakota	2.60%
50	Wyoming	2.60%
51	Alaska	4.70%

Total State & Local Highway Spending (in millions), 2006

	Region	Total (in millions)
	United States	$135,412
	smallest to largest	
1	District of Columbia	$96
2	Vermont	$380
3	Rhode Island	$395
4	Hawaii	$445
5	North Dakota	$573
6	Wyoming	$578
7	Delaware	$620
8	New Hampshire	$620
9	South Dakota	$668
10	Montana	$697
11	Idaho	$740
12	Maine	$798
13	Nebraska	$1,098
14	Utah	$1,098
15	West Virginia	$1,102
16	Arkansas	$1,132
17	New Mexico	$1,194
18	Connecticut	$1,277
19	Alaska	$1,304
20	Nevada	$1,465
21	Oklahoma	$1,508
22	South Carolina	$1,697
23	Mississippi	$1,723
24	Kansas	$1,788
25	Oregon	$1,798
26	Iowa	$1,862
27	Kentucky	$1,876
28	Alabama	$1,929
29	Colorado	$2,069
30	Louisiana	$2,107
31	Tennessee	$2,186
32	Massachusetts	$2,252
33	Indiana	$2,394
34	Maryland	$2,431
35	Arizona	$2,466
36	Georgia	$2,719
37	Missouri	$2,757
38	Virginia	$2,943
39	Washington	$2,945
40	Minnesota	$3,055
41	Wisconsin	$3,264
42	North Carolina	$3,343
43	New Jersey	$3,566
44	Michigan	$3,621
45	Ohio	$4,639
46	Illinois	$5,370
47	Pennsylvania	$6,742
48	New York	$8,707
49	Florida	$8,911
50	Texas	$11,021
51	California	$15,446

Definition: Construction, maintenance and operation of highways, streets and related structures, including toll highways, bridges, tunnels, ferries, street lighting and snow and ice removal.
Footnote: Fiscal year data
Data Source: U.S. Census Bureau

Kansas Bridge Information

After the I-35W collapse in Minneapolis

- KDOT immediately conducted structural analysis on the state's six deck-truss bridges which had similar components to the I-35W bridge.

- Performed an in-depth analysis of the gusset plates of all bridges that had the plates, since they were believed to be the leading cause of the I-35W failure. This included the six deck trusses in addition to six other bridges in the state.

- Inspected all 105 structurally deficient bridges on the State Highway System.

- Formed the Kansas Local Bridge Task Force, which has been working to identify and evaluate options that local governments and KDOT can take to improve the local bridge inspection process. The Task Force has made initial recommendations which are expected to improve the quality of routine inspection of local bridges.

Kansas Bridges At A Glance

	State System	Local System*	Total
All bridges	5,039	20,425	25,464
Structurally deficient	60	2,789	2,849
Functionally obsolete	446	1,590	2,036
Total % deficient & obsolete	10%	21.4%	19.2%

*Numbers may change as local entities update inspections and perform bridge improvements.

- **Structurally Deficient Bridge** – These are bridges restricted to light vehicles or closed because of structural deterioration. These bridges have limits for weights and speed.

- **Functionally Obsolete Bridge** – A structure that has older design features and often is simply too narrow

- Kansas has invested in bridges by spending $73.5 million since the Minneapolis failure, including $41.0 million on state bridges and $32.5 million on local government bridges.

- On the local system, about 14 percent of the bridges are structurally deficient and 21 percent of the bridges are either structurally deficient or functionally obsolete.

- On the state system, less than 2 percent of the bridges are structurally deficient and about 10 percent of the bridges are either structurally deficient or functionally obsolete.

- It is estimated it would take **$3.35 billion to fix all deficient bridges in the state.** That includes about $3 billion on the local system and $350 million on the state system

- The Kansas Comprehensive Transportation Program (CTP) comes to an end in 2009. Over the course of the CTP about **$750 million will have been spent on bridges.** KDOT has plans to address about 50 percent of the structurally deficient bridges. Completing this work will depend on the availability of future funds.

- The current level of federal funding is sufficient to replace or rehabilitate only about 40 local Bridges a year. With nearly 3,000 bridges qualifying for federal bridge replacement funds, **it would take 75 years to replace all of these bridges at the existing funding levels.**

November 10, 2008

I-85

CAFE Overview - Frequently Asked Questions

- ***What is CAFE?***

  Corporate Average Fuel Economy (CAFE) is the sales weighted average fuel economy, expressed in miles per gallon (mpg), of a manufacturer's fleet of passenger cars or light trucks with a gross vehicle weight rating (GVWR) of 8,500 lbs. or less, manufactured for sale in the United States, for any given model year. Fuel economy is defined as the average mileage traveled by an automobile per gallon of gasoline (or equivalent amount of other fuel) consumed as measured in accordance with the testing and evaluation protocol set forth by the Environmental Protection Agency (EPA).

- ***What is the origin of CAFE?***

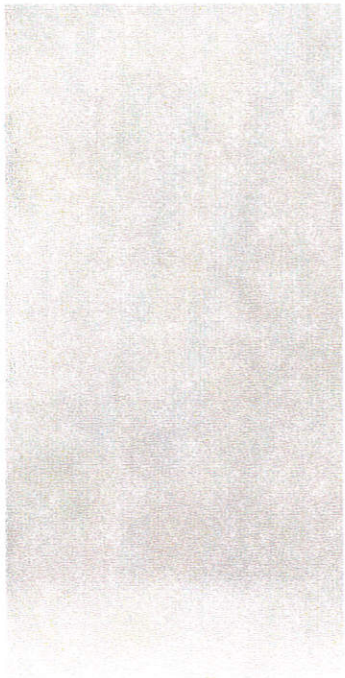
  The "Energy Policy Conservation Act," enacted into law by Congress in 1975, added Title V, "Improving Automotive Efficiency," to the Motor Vehicle Information and Cost Savings Act and established CAFE standards for passenger cars and light trucks. The Act was passed in response to the 1973-74 Arab oil embargo. The near-term goal was to double new car fuel economy by model year 1985.

- ***Who has executive responsibility for CAFE?***

  The Secretary of Transportation has delegated authority to establish CAFE standards to the Administrator of the National Highway Traffic Safety Administration (NHTSA). NHTSA is responsible for establishing and amending the CAFE standards; promulgating regulations concerning CAFE procedures, definitions and reports; considering petitions for exemption from standards for low volume manufacturers and establishing unique standards for them; enforcing fuel economy standards and regulations; responding to petitions concerning domestic production by foreign manufacturers and all other aspects of CAFE, including the classification of vehicle lines as either cars or trucks; collecting, recording and cataloging Pre- and Mid-model year reports; adjudicating carry back credit plans; and providing program incentives such as credits for alternative fueled vehicle lines.

  EPA is responsible for calculating the average fuel economy for each manufacturer. CAFE certification is done either one of two ways: 1) The manufacturer provides its own fuel economy test

Senate Transportation
1-15-09
Attachment 2



data, or 2) the EPA will obtain a vehicle and test it in its Office of Transportation & Air Quality facility in Ann Arbor, MI. EPA will do actual tests on typically about 30% of the existing vehicle lines, using the same laboratory test that they use to measure exhaust emissions. The entire certification test procedure, including the vehicle test preparation, the actual running of the test on the dynamometer, the recording of the data, etc., is specified in Title 40 of the Code of Federal Regulations.

- ***Do NHTSA's CAFE values differ from EPA's fuel economy data?***

  Three different sets of fuel economy values- NHTSA's CAFE values, EPA's unadjusted dynamometer values, and EPA's adjusted on-road values exist. NHTSA's CAFE values are used to determine manufacturers' compliance with the applicable average fuel economy standards and to develop its annual report, the Automotive Fuel Economy Program Annual Update. The EPA's unadjusted dynamometer values are calculated from the emissions generated during the testing using a carbon balance equation. EPA knows the amount of carbon in the fuel, so by measuring the carbon compounds expelled in the exhaust they can calculate the fuel economy. EPA's adjusted on-road values are those values listed in the Fuel Economy Guide and on new vehicle labels, adjusted to account for the in-use shortfall of EPA dynamometer test values.

- ***What is meant by "maximum feasible fuel economy standards?"***

  Congress specified that CAFE standards must be set at the "maximum feasible level." Congress provided that the Department's determinations of maximum feasible level be made in consideration of four factors:

  (1) Technological feasibility;
  (2) Economic practicability;
  (3) Effect of other standards on fuel economy; and
  (4) Need of the nation to conserve energy

- ***For what years and at what levels have the passenger car CAFE standards been set?***

  To meet the goal of doubling the 1974 passenger car fuel economy average by 1985 (to 27.5 mpg), Congress set fuel economy standards for some of the intervening years. Passenger car standards were established for MY 1978 (18 mpg); MY 1979 (19 mpg); MY 1980 (20 mpg); and for MY 1985 and thereafter (27.5 mpg). Congress left the level of 1981-84 standards to the Department to establish administratively. Subsequently, standards of 22, 24, 26, and 27 mpg were established. For the post-1985 period, Congress provided for the continued application of the 27.5 mpg standard for passenger cars, but gave the Department the authority to set higher or lower standards. From MY 1986 through 1989, the passenger car standards were lowered. Thereafter, in MY 1990, the passenger car standard was amended to 27.5 mpg, which it has remained at this level.

- ***For what years and at what levels have the light truck CAFE standards been set?***

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Congress did not specify a target for the improvement of light truck fuel economy. Instead, it provided that light truck standards be set at the maximum feasible level for model year 1979 and each model year thereafter. Unlike for the passenger car fleet, there is no default standard established for light trucks. NHTSA must set the standard for each model future model year. Light truck fuel economy standards have been established by NHTSA for MY 1979 through MY 2007.

Light truck fuel economy requirements were first established for MY 1979 (17.2 mpg for 2-wheel drive models; 15.8 mpg for 4-wheel drive). Standards for MY 1979 light trucks were established for vehicles with a gross vehicle weight rating (GVWR) of 6,000 pounds or less. Standards for MY 1980 and beyond are for light trucks with a GVWR of 8,500 pounds or less. The light truck standard progressively increased from MY 1979 to 20.7 mpg and 19.1 mpg, respectively, by MY 1991. From MY 1982 through 1991, manufacturers were allowed to comply by either combining 2- and 4-wheel drive fleets or calculating their fuel economy separately. In MY 1992, the 2- and 4-wheel drive fleet distinction was eliminated, and fleets were required to meet a standard of 20.2 mpg. The standard progressively increased until 1996, when the Appropriations prohibition froze the requirement at 20.7 mpg. The freeze was lifted by Congress on December 18, 2001. On March 31, 2003, NHTSA issued new light truck standards, setting a standard of 21.0 mpg for MY 2005, 21.6 mpg for MY 2006, and 22.2 mpg for MY 2007.

- ***What is the penalty for not meeting CAFE requirements for any given model year (MY)?***

The penalty for failing to meet CAFE standards recently increased from $5.00 to $5.50 per tenth of a mile per gallon for each tenth under the target value times the total volume of those vehicles manufactured for a given model year.

Since 1983, manufacturers have paid more than $500 million in civil penalties. Most European manufacturers regularly pay CAFE civil penalties ranging from less than $1 million to more than $20 million annually. Asian and domestic manufacturers have never paid a civil penalty.

For MY 2002, five passenger car fleets including BMW, DaimlerChrysler import, Fiat, Lotus, and Porsche are projected to fail to meet 27.5 mpg passenger car CAFE standard. In addition, two light truck fleets including BMW and Volkswagen will likely fail to meet the light truck CAFE standard of 20.7 mpg. Final Reports for MY 2002 provided by the EPA to NHTSA in mid-calendar year of 2003 may adjust these projections favorably.

- ***What are CAFE credits?***

Manufacturers can earn CAFE "credits" to offset deficiencies in their CAFE performances. Specifically, when the average fuel economy of either the passenger car or light truck fleet for a particular model year exceeds the established standard, the manufacturer earns credits. The amount of credit a manufacturer earns is determined by multiplying the tenths of a mile per gallon that the manufacturer exceeded the CAFE

standard in that model year by the amount of vehicles they manufactured in that model year. These credits can be applied to any three consecutive model years immediately prior to or subsequent to the model year in which the credits are earned. The credits earned and applied to the model years prior to the model year for which the credits are earned are termed "carry back" credits, while those applied to model years subsequent to the model year in which the credits are earned are known as "carry forward" credits. Failure to exercise carry forward credits within the three years immediately following the year in which they are earned will result in the forfeiture of those credits. Credits cannot be passed between manufacturers or between fleets, e.g., from domestic passenger cars to light trucks.

- ***How is the actual Average Fuel Economy reported by manufacturers to the Government?***

  Manufacturers are required to submit three reports: 1) Pre-model year; 2) Mid-model year; and 3) Final Report. The pre- and mid-model year reports are submitted to NHTSA, while the final report is submitted to and validated by the EPA.

- ***Who classifies vehicles for the purposes of CAFE and how is it done?***

  Authority to establish vehicle classifications for the purposes of calculating CAFE was delegated to NHTSA. Specifically, the definitions are as follows:

  > 1) Passenger Car – any 4-wheel vehicle not designed for off-road use that is manufactured primarily for use in transporting 10 people or less.
  >
  > 2) Truck – a 4-wheel vehicle which is designed for off-road operation (has 4-wheel drive or is more than 6,000 lbs. GVWR and has physical features consistent with those of a truck); or which is designed to perform at least one of the following functions: (1) transport more than 10 people; (2) provide temporary living quarters; (3) transport property in an open bed; (4) permit greater cargo-carrying capacity than passenger-carrying volume; or (5) can be converted to an open bed vehicle by removal of rear seats to form a flat continuous floor with the use of simple tools.

- ***Are import vehicles treated the same as domestics when it comes to CAFE?***

  The rules are different for passenger cars and trucks. There is a statutory "two-fleet rule" for passenger cars. Manufacturers' domestic and import fleets must separately meet the 27.5 mpg CAFE standard. For passenger cars, a vehicle, irrespective of who makes it, is considered as part of the "domestic fleet" if 75% or more of the cost of the content is either U.S. or Canadian in origin. If not, it is considered an import.

  Beginning in 1980, light trucks were administratively subjected to a similar two-fleet rule. However, given changes in market conditions (the "captive import" sector of the fleet had become insignificant), NHTSA

eliminated the two-fleet rule for light trucks beginning with MY 1996. Therefore, there are no fleet distinctions, and trucks are simply counted and CAFE calculated as one distinct fleet of a given manufacturer.

- ***How are alternative fuel vehicles treated under CAFE?***

  The CAFE law provides for special treatment of vehicle fuel economy calculations for dedicated alternative fuel vehicles and dual-fuel vehicles. The fuel economy of a dedicated alternative fuel vehicle is determined by dividing its fuel economy in equivalent miles per gallon of gasoline or diesel fuel by 0.15. Thus a 15 mpg dedicated alternative fuel vehicle would be rated as 100 mpg. For dual-fuel vehicles (vehicles that can use the alternative fuel and gasoline or diesel interchangeably), the rating is the average of the fuel economy on gasoline or diesel and the fuel economy on the alternative fuel vehicle divided by .15. For example, this calculation procedure turns a dual fuel vehicle that averages 25 mpg on gasoline or diesel with the above 100 mpg alternative fuel to attain the 40 mpg value for CAFE purposes. Several limitations are established for CAFE credits for dual fuel vehicles. For MYs 1993-2004, the maximum CAFE increase attributable to dual fueled vehicles in a manufacturer's passenger car or light truck fleet is 1.2 mpg.

  The Alternative Motor Fuels Act (AMFA) directed the Secretary of Transportation, in consultation with the EPA Administrator and the Secretary of Energy, to conduct a study and submit a report to Congress evaluating the success of the policy decision to offer CAFE credit calculation incentives for dual-fuel and gaseous dual-fuel vehicles. The report was transmitted to Congress in March 2002.

  The statutory language also requires that the Department of Transportation either extend the incentive program for dual-fuel vehicles beyond MY 2004 for up to four more years with a maximum allowable increase in average fuel economy for a manufacturer of 0.9 miles per gallon; or issue a Federal Register notice that justifies termination of the incentive program. In March 2002, NHTSA issued an NPRM proposing to extend the availability of the CAFE credit incentive for dual-fueled vehicles for four years, through the end of the 2008 model year. A final rule will be issued in 2003.

- ***Are any vehicles exempted from CAFE standards?***

  Light trucks that exceed 8,500 lbs gross vehicle weight rating (GVWR) do not have to comply with CAFE standards. These vehicles include pickup trucks, sport utility vehicles and large vans.

  A study prepared for the Department of Energy, in February 2002, by the Oak Ridge National Laboratory found that 521,000 trucks with GVWR from 8,500 to 10,000 lbs were sold in calendar year 1999. The vast majority (82%) of these trucks are pickups and a significant number (24%) were diesel. At the end of 1999, there were 5.8 million of these trucks on the road accounting for 8% of the annual miles driven by light trucks, and 9% of light truck fuel use.

- ***How is a manufacturer's CAFE determined for a given model year?***

  A manufacturer's CAFE is the fleet wide average fuel economy. Separate

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CAFE calculations are made for up to three potential fleets: domestic passenger cars, imported passenger cars and light trucks. The averaging method used is referred to as a "harmonic mean". The regulatory language describes the calculation as: "the number of passenger automobiles manufactured by the manufacturer in a model year; divided by the sum of the fractions obtained by dividing the number of passenger automobiles of each model manufactured by the manufacturer in that model year by the fuel economy measured for that model." The numerical example below illustrates the process. Assume that a hypothetical manufacturer produces four light truck models in 2004, where MPG means miles per gallon and GVWR means gross vehicle weight rating measured in lbs:

Model	MPG	GVWR	Production Volume
Vehicle A	22	3000	130,000
Vehicle B	20	3500	120,000
Vehicle C	16	4000	100,000
Vehicle D	10	8900	40,000

Because the Vehicle D exceeds 8,500 GVWR, it is excluded from the calculation. Therefore, the manufacturer's light truck CAFE is calculated as:

$$\frac{Total\ Production\ Volume}{\frac{\#Vehicle A}{FuelEconomy}+\frac{\#Vehicle B}{FuelEconomy}+\frac{\#Vehicle C}{FuelEconomy}}$$ =Average Light Truck Fleet Fuel Economy

$$\frac{350{,}000}{\frac{130{,}000}{22}+\frac{120{,}000}{20}+\frac{100{,}000}{16}} = 19.27\ MPG$$

The 2004 model year light truck CAFE standard is 20.7 mpg therefore the manufacturer is not in compliance.

- ***What is the penalty for noncompliance for a given MY and how is it calculated?***

The current penalty for failing to meet CAFE standards is $5.50 per tenth of a MPG under the target value times the total volume of those vehicles manufactured for a given model year.

Since 1983, manufacturers have paid more than $590 million in CAFE civil penalties. Most European manufacturers regularly pay CAFE civil penalties ranging from less than $1 million to more than $20 million annually. Asian and most of the big domestic manufacturers have never paid a civil penalty.

For MY 2002, five imported passenger car fleets, including BMW,

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Daimler Chrysler, Fiat, Lotus and Porsche are projected to fail to meet the 27.5 mpg passenger car CAFE standard. In addition, two light truck fleets, including BMW and Volkswagen are projected to fail to meet the light truck CAFE standard of 20.7 mpg.

When NHTSA finds that a manufacturer is not in compliance, it notifies the manufacturer. Surplus credits generated from the three previous years can be used to make up the deficit. Using the example from above, the manufacturer may use credits from any of the previous three model years (2001, 2002, or 2003). Credits generated in the furthest out model year (2001) would be used first, followed by any generated in 2002 and finally 2003. If there are no (or not enough) credits available, then the manufacturer can either pay the fine, or submit a carry back plan to the agency. In the example, the hypothetical manufacturer's CAFE was 19.27 mpg for model year 2004. In that year, the standard was 20.7 mpg. The fine is calculated as:

(20.7 - Average Fuel Economy)*10.0 * $5.50* Production Volume = Total Fine
(20.7- 19.27) *10.0* $5.50 * 350,000 = $27,527,500

If the manufacturer decides to make up the difference in the following three years instead, they must file a carry back plan with NHTSA. A carry back plan describes what the manufacturer plans to do in the following three model years (2005, 2006 and 2007) to make up the deficit credits. NHTSA must examine and approve the plan. The total number of credits that must be made up are:

(20.7 – Average Fuel Economy)*10.0 * Production Volume = Total Credits
(20.7 – 19.27) *10.0* 350,000 = 5,005,000

The manufacturer can make up deficit credits by producing a fleet of vehicles that exceeds the standard at that time. For example, suppose the manufacturer submits plans to build the following light trucks in 2005 model year:

Model	MPG	GVWR	Production Volume
Vehicle A	22	3000	100,000
Vehicle B	20	3500	80,000
Vehicle D	10	8900	55,000
Vehicle E	25	2800	150,000

In this model year, the manufacturer has quit making one model (Vehicle C) and introduced a new model (Vehicle E). Because Vehicle D has a GVWR in excess of 8,500 lbs, it is excluded from the calculation. Therefore, the manufacturer's CAFE is calculated as:

$$\frac{Total\ \mathrm{Pr}oductionVolume}{\frac{\#VehicleA}{FuelEconomy}+\frac{\#VehicleB}{FuelEconomy}+\frac{\#VehicleE}{FuelEconomy}} = \text{Average Fuel Economy}$$

$$\frac{330{,}000}{\frac{100{,}000}{22}+\frac{80{,}000}{20}+\frac{150{,}000}{25}} = 22.69$$

Since the light truck standard is 21.0 mpg in 2005, the manufacturer has exceeded the standard and generated excess credits:

(Average Fuel Economy –21.0) *10.0* Production Volume = Total Excess Credits
(22.69-21.0) *10.0* 330,000 = 5,577,000.

These excess credits generated in 2005 model year cover the deficit from the 2004 model year with a surplus of 572,000 that can be used in later model years.

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