

Legislative Update: Austin and Washington, DC

Presentation by JC Sandberg

Texas Transportation Forum 2007

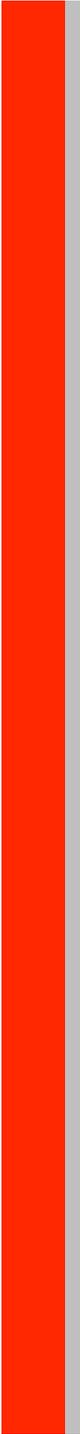


110th Congress

- Return of divided government
- New Democratic Congressional power shift
- 50 Democratic members elected or re-elected in states or districts President Bush carried in 2004
- Iraq War
- 8 members of the US Senate running for President

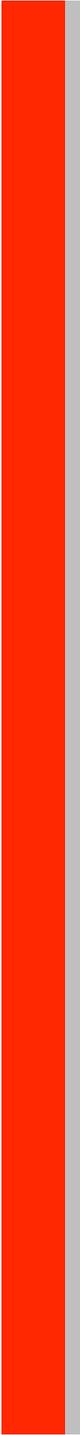
Current Transportation Situation

- Cost of congestion has quadrupled in the last 20 years
- 3.7 billion hours of wasted time
- 2.3 billion gallons of wasted fuel
- Proposed fiscal year 2008 obligation limitation of \$40.2 billion
- 45 percent of all highway funding currently comes from the Highway Trust Fund
- Major projected **financial shortfalls** starting in fiscal year 2009



Current Developments

- Technical Corrections
- National Surface Transportation Policy and Revenue Study Commission
- Congressional hearings
- Roll of the Appropriations Committee
- Mid-session budget numbers—looming financial crisis
- Peters v. Oberstar



Funding Crisis—Peters Perspective

- The old way of doing business doesn't work
- Refocus the Federal highway program
- Public Private Partnerships will lead the way
- Don't raise the gas tax

Funding Crisis—Oberstar View

- Highway Trust Fund is not dead, it needs “adjustments and refinements”
- Over the last decade, Federal gas tax has lost one-quarter of its purchasing power
- “Extremely concerned” about the growing trend toward reliance on PPPs
- PPPs are a financing tool, not a cure to the funding crisis
- “Encouraging states to privatize their assets will barely begin to address our needs.”

The Next Reauthorization

- Congressional activities—House and Senate
- Last call for projects?
- Will Congress catch a freight train?
- Are Scenic Byways bygone?
- Donor v. Donee, Part IV
- Every transportation wonk's fantasy—will contract authority and obligation limitation finally get in bed together?
- \$64,000 question—Will they raise the gas tax?



Final Thoughts

- The Federal highway program will survive
- Congress reacts, but often times fails to innovate
- Will the current funding crisis force a reaction or an innovation?