TALKING WITH AMPO

- Recent History
- Big Picture Trouble
- Context
- What Lies Ahead
- The Big Urban Picture
- NY Overview
- AMPO Process
Current Situation

What’s Broken?
Recent History

- **SAFETEA-LU** -- 2 Years Late and loaded with earmarks
- Increased Funding -- *Illusionary & Inadequate* (again, earmarks)
- Highway Trust Fund -- *In Jeopardy*
Growth of Earmarks

- 1987 Surface Transportation Act -- 152
- 1991 ISTEA -- 538
- 1998 TEA-21 -- 1850
- SAFETEA-LU -- 6371
Earmarks

- Not new money, taken from program funds at the state level
- Increasing amount of entire program
- Small contributions to large scale projects are eroded by inflation and return bill after bill until complete
- New projects continually added
BIG PICTURE

PROBLEMS...many

areas

Freight,

Fuel, Safety, Funding

etc...
Forecast figures based on 10-year linear regression

Source: U.S. DOTv
More trade means more domestic freight movements...

U.S. domestic freight tonnage growth forecast, 2000-2020

- West region +65%
- South region +71%
- Central region +71%
- Northeast region +58%

Source: U.S. DOT
International Fuel Economy Comparison

Comparison of fleet average fuel economy and GHG emission standards for new-sale light-duty vehicles

Source: UC Berkeley
Street and Highway Construction Costs Have Increased Dramatically Over the Past Few Years

Source: AGC
Highway Account Cash Balance

Source: FY 2008 President’s Budget Projections
Mass Transit Account Cash Balance

Source: FY 2008 President’s Budget Projections
Context for New Direction
New Strategic Context

- 9/11 and Global War on Terrorism
- Global Economy and Emergence of China and India
- U.S. and Global Oil Production Peaks
- U.S. Oil Imports (some potentially unstable nations)
- The Inconvenient Truth of Global Warming
The Public is Ready for Change...depending on how you ask it!

Views on the Environment

Would you be willing or not willing to pay higher taxes on gasoline and other fuels if the money was used for research into renewable energy sources like solar and wind?

<table>
<thead>
<tr>
<th>Willing</th>
<th>Not willing</th>
<th>No opinion</th>
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<tbody>
<tr>
<td>64</td>
<td>33</td>
<td>5</td>
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If an increased tax on gasoline would reduce the United States' dependence on foreign oil, would you favor or oppose an increased federal tax on gasoline?

<table>
<thead>
<tr>
<th>Favor</th>
<th>Oppose</th>
<th>No opinion</th>
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<td>5</td>
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What Lies Ahead?
Study current condition and future needs of surface transportation system

Evaluate short-term sources for Highway Trust Fund revenues and long-term alternatives to replace or supplement fuel tax

Frame policy and funding recommendations for 15-, 30-, and 50-year time horizons

Report to Congress by January 1, 2008
Commissioners

Mary Peters Secretary of Transportation — Chairperson
Jack Schenendorf Of Counsel, Covington & Burling — Vice Chair
Frank Busalacchi Wisconsin Secretary of Transportation
Maria Cino Deputy Secretary of Transportation
Rick Geddes Director of Undergraduate Studies, Cornell University
Steve Heminger Executive Director, Metropolitan Transportation Commission
Frank McArdle General Contractors Association of New York
Steve Odland Chairman and CEO, Office Depot
Patrick Quinn Chairman, American Trucking Association
Matt Rose CEO, Burlington Northern Santa Fe Railroad
Tom Skancke CEO, The Skancke Company
Paul Weyrich Chairman and CEO, Free Congress Foundation
Four Scenarios for TEA 4

1. RE-TEA -- Reauthorization As Usual
   - The Same Only with More Money
   - 10¢ gas tax by 2010 to restore purchasing power of SAFETEA-LU
   - Build for freight
   - Rebuild infrastructure

2. POST-TEA -- Fundamental Reform
   - Realign the role, structure, authority and funding for feds, states, and metro areas
   - Focus on metro areas, where 85% of the nation’s population live and 87% of GDPs.
   - The largest 20 metro areas are larger than 1/3rd of the states
Four Scenarios for TEA 4

3. Devolution to the States
   - Increasing numbers of increasingly ineffective earmarks
   - Failure to adequately fund core programs to address metropolitan congestion
   - Roll back federal gas tax, privatize, and focus on innovative financing.
   - Action moves to state and local governments or, in some areas, to metropolitan regions
Four Scenarios for TEA 4

4. GREEN TEA -- Energy Independence and Global Warming Issues
   - Priority is “Fix It First”
   - Emphasize transportation projects that reduce greenhouse gases
   - Use as a tool for energy independence
   - Combat pollution (air and water) by fighting sprawl
What Is A Metropolitan Solution? Picking up on POST-TEA:

- Regional Government
  - METRO, Portland, OR

- Regional Governance
  - Regional Transportation Authority
  - Metropolitan Transportation Authority
  - Regional Mobility Authority
POST- TEA: Top Dozen Metro Areas

Source: U.S. Census
POST-TEA: Metros Are Engines of Economic Growth

- Combined GDP of top dozen metro areas exceeds combined economic output of 35 states
- New York metro area ranks 10th in the world, with a larger economy than India, South Korea or Mexico
- Los Angeles and Chicago metro areas rank 18th and 19th — each larger than Belgium, Sweden or Taiwan

Source: U.S. Conference of Mayors
POST-TEA: Metros Capture Huge Market Share

<table>
<thead>
<tr>
<th>Metric</th>
<th>Top Dozen Metro Areas</th>
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<tbody>
<tr>
<td>1 Share of U.S. Population</td>
<td>33%</td>
</tr>
<tr>
<td>2 Share of Traffic Congestion</td>
<td>70%</td>
</tr>
<tr>
<td>3 Share of GDP</td>
<td>39%</td>
</tr>
<tr>
<td>4 Share of Transit Ridership</td>
<td>76%</td>
</tr>
<tr>
<td>5 Share of Population Exposure to Criteria Pollutants</td>
<td>64%</td>
</tr>
</tbody>
</table>

Sources: U.S. Census, Texas Transportation Institute, U.S. Conference of Mayors, EPA
What Would Change Mean for New York?

- FY2005 State Funding for Transit: $2.169 billion
- Transit National Ranking (States): 1st
- FY2005 State Funding for Transit Per Capita: $112.65
- National Ranking Per Capita (States): 4th
- NY Highway Spending FY99 – 04: $35.2 billion
- NY Highway Spending Annual Avg: $5.87 billion
- National Rank – Total Spending: 3 (trailing only CA, TX)
- In November 2005, NY voters approved a statewide ballot measure obligating $2.9 billion for transportation over 5 years. Approved 55% - 45%. Funding is split evenly between MTA and NY DOT
What Would Change Mean for New York?

State Revenues for Highway Spending by Type (% of total):

- Bond: 28.9%
- Federal: 22.2%
- Fuels Tax: 18.0%
- Tolls: 15.8%
- Vehicle Tax: 9.9%
- General Fund: 3.3%
- Other: 1.6%
- Payments from Local Gov’t: 0.3%
Are you ready to take the lead?
AMPO’s Process
Big Picture

- Old Days- Take our elected officials to the Hill
- Now-Write a check

- Old Days- Transportation Authorization and Appropriations
- Now-Many moving parts to keep and eye on

- Old Days- Highway Trust Fund was viable
- Now- Funding challenges from all angles to include earmarks and reliable sources

- Lame duck administration will write bill, new administration starts from scratch
- 2008 Elections Critical
AMPO Process & Let’s Hear from you!

- Rounds of surveys to membership to craft policy positions for what’s next—will there be at TEA?
- Townhall Meeting at the Annual Conference
- Drafting Team is currently working
- Final positions out by the end of the year
AMPO Process & Let’s Hear from you!

Themes from our Policy Efforts:

- Energy Independence
- Global Competitiveness through Metropolitan Mobility
- Rebuild America
“Our unity as a nation is sustained by free communication of thought and by easy transportation of people and goods... Together the unifying forces of our communication and transportation systems are dynamic elements in the very name we bear — United States. Without them, we would be a mere alliance of many separate parts.”

— Dwight D. Eisenhower, 1955
Thanks for the opportunity!

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