



# LOUISIANA GOOD ROADS & TRANSPORTATION ASSOCIATION, INC.

## GOOD ROADS ALERT

[www.louisianagoodroads.org](http://www.louisianagoodroads.org)

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### Gasoline Taxes

A recent *USA TODAY* article looked at the current gasoline taxes as adjusted for inflation. The result was the conclusion that motorists today are paying the lowest gasoline taxes since the early days of the automobile. Drivers currently pay just \$19 in gasoline taxes for every 1,000 miles driven when adjusted for inflation. That is half what drivers paid in 1975. Americans paid just 46 cents on gasoline taxes for every \$100 of income in 2010, the lowest rate since the government started keeping track of this data in 1929. In 1970 Americans spent \$1.18 on gasoline taxes for every \$100 earned.

Drivers spent \$55.7 billion on gasoline taxes at all levels during the 2010 first quarter. This is down from \$68.5 billion in the first quarter of 2000 adjusting for inflation. And even though driving has increased by 7%.

### 2011 LaDOTD Transportation Conference Set

The 2011 DOTD Transportation Conference is scheduled for January 9-12, 2011 at the River Center in Baton Rouge. For engineers this is a good opportunity to pick up the PDH's as well as the Ethics requirements needed to maintain their licenses. For contractors and other interested parties, this is an opportunity to learn how the many issues that face us all daily are being addressed. To keep up with the details of the Conference, go to [www.ltrc.lsu.edu/](http://www.ltrc.lsu.edu/). There is little information at the site now, but details will be added as we get closer to the meeting date.

### Road Conditions

The U.S. Public Interest Research Group conducted a study on the cost of repairing roads on a state-to-state basis. According to the Federal Highway Administration, 45 percent (or more than 150,000 miles) of federal highways and major roads were in poor, mediocre or fair condition as of 2008. Nearly two-thirds of urban roadways offered a poor, mediocre or fair ride. Major cities—including Los Angeles, San Francisco, Washington, D.C., New York City and New Orleans—had the worst road conditions—where drivers pay as much as \$750 per year in extra vehicle maintenance costs due to rough road conditions.

The American Association of State Highway and Transportation Officials estimates that poor road conditions cost U.S. motorists \$67 billion a year in repairs and operating costs—an average of \$335 per motorist.

State	% Roads in Poor or Mediocre Condition	% Roads in less than Good Condition	Rank
Alaska	35	75	1
Rhode Island	34	84	2
New Jersey	33	82	3
Vermont	28	63	4
California	28	76	5
Massachusetts	26	71	6
Hawaii	26	90	7
Louisiana	23	56	8
Mississippi	17	57	9
Illinois	17	57	10

### Legislation

**House Bill 140** authorizes the operation of “mini-trucks” on streets and highways where the Speed Limit is 55 mph or less but not on Interstate or controlled access highways. It shall be registered as an off-road vehicle and shall display a decal issued by the office of motor vehicles. A “mini-truck” shall mean any four-wheeled, reduced dimension truck that may not have a National Highway Safety Administration classification, with a top speed of sixty-five miles per hour, equipped with a truck bed or compartment for hauling, and having an enclosed passenger cab.

**House Concurrent Resolution 38** “urge and request DOTD to study reducing the size of the Department of Transportation and Development, rectifying inequities in the distribution of state highway miles among parishes, and empowering local governments through the “right-sizing” of the state highway system.”

**House Concurrent Resolution 115** - The Louisiana Legislature and the Governor should develop proposals and take action to accomplish the following:

- (1) Additional reoccurring revenue is essential and critical to adequately fund Louisiana's transportation needs. Efficiency and savings are important and must always be pursued. Federal funding is a cornerstone of each state's system. Neither current state or federal revenue sources are now or will ever be sufficient in the absence of increased state revenues to meet the transportation needs of Louisiana's citizens and businesses. The Louisiana Department of Transportation and Development, the Public Affairs Research Council, and the joint committee's own calculation estimates the targeted increased amount in today's dollars to be approximately \$750,000,000 annually.
- (2) New revenue sources for funding the Louisiana Department of Transportation and Development should be indexed or by nature grow with the economy.
- (3) Consideration should be given to committing a fixed percentage of annual state capital outlay to the priority system in the Louisiana Department of Transportation and Development.
- (4) Consideration should be given to statutorily dedicate a minimum fixed percentage of state

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surpluses to the Louisiana Department of Transportation and Development Transportation funding.

(5) Truck and trailer registration fees should be uniform for all industries based on same weight and number of axles. Along with uniformity, truck and trailer fees should be reviewed for adequacy and competitiveness with other states.

(6) Any new dedicated revenue source for the Department of Transportation and Development should be limited to engineering and construction cost only, prohibiting any new funds for administration or overhead. The state should consider a plan to move all the Department of Transportation and Development's overhead and administrative costs to the state general fund.

(7) The state should move away from fixed fuel taxes as its primary funding source for transportation. Improved fuel efficiency, hybrid engines, electric engines, and hydrogen engines, all combine to make fixed fuel taxes an antiquated, declining source of revenue with little or no upside potential.

(8) Louisiana has a unique opportunity to leverage natural gas as a primary fuel for its citizens and business transportation needs. Having passed one of the nation's most aggressive state tax incentive programs for natural gas vehicle conversion, Louisiana is in a position to increase, by very large quantities, the vehicles fueled by natural gas. Natural gas is cleaner, it is abundant, it is domestic, and it is driving Louisiana's economy. Very importantly, it is much less expensive than gasoline, offering an opportunity for an indexed increase in the fuel tax while still resulting in very significant fuel savings for consumers. Prices appear stable for several years into the future and long-term contracts can be negotiated.

(9) Louisiana should consider incorporating toll roads and bridges in its funding option as virtually every other state. The United States Department of Transportation is also considering this option.

(10) Vehicle miles traveled factored by weight categories, addresses the two primary considerations when constructing and maintaining a highway and bridge system, miles traveled, and weight carried. Technology exists today to implement such a system. A Louisiana pilot project could be explored.

(11) Formulas allocating a fixed percentage of transportation revenue to rural roads should be initiated, including the state's non-federal matching highways, the Parish Transportation Fund, Louisiana ports, Louisiana airports, and various Louisiana mass transit systems. This will provide for an orderly allocation that grows as the economy grows for these vital contributions to Louisiana's transportation system and economy.

**Senate Bill 63** The Department of Transportation and Development may study the feasibility of a West Bank Turnpike generally on the west bank of the Mississippi River beginning near the intersection of LA 1 and Interstate 10 near Port Allen, West Baton Rouge Parish, Louisiana, and continuing generally south and east adjacent to or along LA 1 and LA 3127 through West Baton Rouge, Iberville, Assumption, Ascension, St. James, St. John, and St. Charles parishes, and terminating near the intersection of LA 3127 and Interstate 310 near Boutte, St. Charles Parish,

**Senate Bill 616** authorizes increases of the maximum speed on highways.



*Speakers at the June meeting of the LGRTA Goals & Objectives Committee were Rachel DiResto and Lacy Strohschein both from the Center for Planning Excellence. They are shown here with LGRTA President Ken Perret*

## **LaDOTD Letting Recap**

The state's fiscal year is at a close and DOTD closed out the year with a bang. The Department let ninety-three (93) projects in June - a record number of projects in one month. The Department ended Fiscal year 09-10 with lettings over \$1 billion for the fifth consecutive year. The last ten fiscal year lettings are as follows:

00 - 01	\$620 million	298 projects
01 - 02	\$510 million	328 projects
02 - 03	\$520 million	271 projects
03 - 04	\$635 million	268 projects
04 - 05	\$610 million	343 projects
05 - 06	\$1.890 billion	296 projects
06 - 07	\$1.715 billion	339 projects
07 - 08	\$1.470 billion	397 projects
08 - 09	\$1.240 billion	440 projects
09 - 10	\$1.030 billion	442 projects

In the last four years, the work volume has fallen by about \$200 million per year. In FY 07-08, 08-09 and 09-10, the Department received the majority of the state's surplus funds. In FY 10-11, the Administration appropriated \$150 million for DOTD in Capital Outlay construction funds; the first time this has occurred since the passage of the Transportation Trust Fund in 1989.

It is anticipated that this current fiscal year, FY 10-11, DOTD's construction program will be about \$900 million. Much of that depends on what Congress does with highway funding in December when the Federal Transportation Trust Fund runs out.

Funding levels will be determined by what Congress does to address long term funding of its Trust Fund -- to what extent and for how long does the state's budget deficit continue. This year the state faced an \$850 million budget deficit that was plugged by one-time monies. Next fiscal year, FY 11-12, the state faces a deficit of at least \$2 billion, if not more.