

Federal transportation funds dwindle; panel in Daytona Beach urges states' solution

Mark Harper

Daytona Beach News Journal

May 8, 2014

<http://www.news-journalonline.com/article/20140508/NEWS/140509469>

DAYTONA BEACH — Hundreds of millions of dollars are planned for improvements to Interstates 4 and 95, the extension of SunRail to DeLand and other infrastructure improvements in Volusia County.

But the Highway Trust Fund is facing a shortfall, federal Transportation Secretary Anthony Foxx wrote in a letter to his state counterparts this week, and payments to states including Florida could be delayed this summer.

Members of the Florida Transportation Commission, a statewide citizens' panel, met at Embry-Riddle Aeronautical University this week and discussed long-term ways to update the way Americans pay for infrastructure.

Among those in attendance were Florida Transportation Secretary Ananth Prasad and Noranne Downs, who serves as secretary of the department's District 5 Office in DeLand.

Ron Howse, the commission's chair and president of a Cocoa engineering and land planning firm, said federal gas tax collections have not been able to keep up with needs.

In Volusia County, motorists pay 53.9 cents for every gallon of gas they purchase.

The federal gas tax, 18.4 cents of that, has not been raised in more than 20 years. Gas taxes are not indexed to keep up with inflation. So as they lose their buying power, Americans are also putting more miles on roads in hybrids, electric cars and other fuel-efficient vehicles.

Those taxes go into the Highway Trust Fund, where the highway account is expected to drop below \$4 billion as soon as July, while transit funding for projects such as SunRail are expected to fall below \$1 billion in October, according to Foxx' letter.

While we will take every step possible to continue to fully reimburse your state for as long as possible, these measures will effectively require us to delay reimbursements that are owed to your agency and the transit agencies in your state," Foxx wrote.

Howse and other commissioners agreed to examine other concepts to raise the revenue needed.

Some of the ideas include: mileage-based user fees, indexing the gas tax to inflation, and highway access fees.

Prasad said some people prefer the access fee, monthly or yearly, for motorists to use highways. The vice president of an automotive company told him the users of hybrids and electric vehicles will be "disproportionately affected" by mileage-based fees.

“The hybrid-based automotive industry feels that mileage-based fees will hurt their business,” Prasad told commissioners during the meeting Thursday. “The bigger picture is mileage-based is great. We need to keep working at it, but that it ain’t happening anytime soon.”

Howse said the states will be best served to push forward on their own solutions.

“Whatever that (solution) is, we need to consolidate that and have a group of states marching toward that goal, rather than waiting for the federal government telling us what to do,” he said. “When they tell us what to do, we don’t like that.”