

**Special Committee on Commissioners and Boards**  
**2008 SASHTO Annual Conference**  
**Orlando, Florida**  
**Monday, August 11, 2008**  
**1:30 p.m.**

**MINUTES**

Arkansas State Highway Commissioner Carl Rosenbaum, Vice Chairman of the Special Committee on Commissioners and Boards presided over the meeting in lieu of Chairman Bill Minor, who was absent. He called the meeting to order at 1:35 p.m. He introduced himself, welcomed all those in attendance, and asked everyone to verify the information on the contact list being passed around the room. He then asked for introductions. The following attended the meeting:

Carl Rosenbaum, Commissioner, Arkansas State Highway Commission  
Marcos Marchena, Chairman, Florida Transportation Commission  
John Horsley, Executive Director, AASHTO  
Kathy Dedrick, Majority Senior Policy Director for Transportation, U.S. Senate Environment and Public Works Committee  
Jim Kolb, Staff Director of the House Transportation and Infrastructure Committee  
Jim Tymon, Minority Staff Director of the House Transportation and Infrastructure Committee  
Steve Reich, Center for Urban Transportation Research (CUTR), University of South Florida  
Jan Davis, CUTR  
Sally Patrenos, Executive Director, Florida Transportation Commission  
Mark Reichert, Assistant Director, Florida Transportation Commission  
Ralph Hall, Arkansas Highway and Transportation Department  
Chrystal Comb, Arkansas Highway and Transportation Department  
John Hardee, former Commissioner, South Carolina Transportation Commission  
Ralph Brown, Commissioner, Georgia Transportation Board  
Brandon Beech, Commissioner, Georgia Transportation Board  
Dave Tassinari, Manager of Finance, Florida Transportation Commission  
Rick Gallant, Special Projects Coordinator, Florida Transportation Commission  
Lisa Stone, Florida Department of Transportation  
Emory McClinton, Commissioner, Georgia Transportation Board  
Jonathan Barnett, Chairman, Arkansas State Highway Commission  
Wayne Brown, Commissioner, Mississippi Transportation Commission  
Doug Galyon, Chairman, North Carolina Board of Transportation  
Mac Campbell, Vice Chairman, North Carolina Board of Transportation  
Marty Lanahan, Commissioner, Florida Transportation Commission  
Bart Pullum, Commissioner, Florida Transportation Commission  
Tom Conrecode, Commissioner, Florida Transportation Commission  
Garrett Walton, Commissioner, Florida Transportation Commission  
Alice Bravo, Florida Department of Transportation  
Javier Rodriguez, Executive Director, Miami-Dade Expressway Authority  
Marshall Criser, Commissioner, Florida Transportation Commission  
Linda Watson, Executive Director, Central Florida Regional Transportation Authority  
Edward Johnson, Chief of Staff, Central Florida Regional Transportation Authority

J. Marsh McLawhorn, Chief Government Affairs Officer, Central Florida Regional Transportation Authority

Marcos Marchena, Chairman of the Florida Transportation Commission, welcomed everyone to Florida. Committee Vice Chairman Rosenbaum asked for approval of the minutes from last year's meeting of the Special Committee on Commissions and Boards. The minutes from the August 6, 2007 meeting in Huntsville, Alabama were approved as submitted. He then asked a representative from each state present to provide a brief overview of their respective Board or Commission including its organization, responsibilities, priorities and challenges.

Chairman Jonathan Barnett spoke for the Arkansas State Highway Commission. He commented that, like everyone else, their priorities deal with money. They have not been successful with the Arkansas Legislature. They have received some severance tax receipts from natural gas exploration. This should add anywhere from \$36 to \$75 million to the Department's budget each year. There are five commissioners who serve ten-year terms. They are appointed by the Governor and confirmed by the Senate. The Commission is constitutionally independent so they are neither controlled by the Governor nor Legislature. This creates a lot of stability for the Commission.

Commissioner Emory McClinton spoke for the Georgia Transportation Board. He stated that their challenges are similar to those of Arkansas-funding. Their other main issue is congestion. They are moving into a era of intermodalism for moving passengers and freight. We can't build our way out of congestion and will need new sources of funding for alternative modes. The Board is composed of 13 members, elected by the state legislators from each of Georgia's congressional districts. They have a congressional equalization pact which requires transportation funds to be equally distributed among the districts. This form of distribution is outdated. Commissioner McClinton also stated they need to start focusing on energy conservation methods.

Commissioner Wayne Brown spoke on behalf of the Mississippi Transportation Commission. He stated that their challenges are the same as everyone else's, money, money, money. They have had to deal with the state legislature taking funds away from the Transportation Department in past years and have recovered well from the hurricanes of 2005, thanks to the generosity of the American people. The Mississippi Transportation Commission has three members elected every four years by the general population in each of the three districts. This is the only commission in the country whose members are elected in this fashion. However, this gives them an advantage when meeting with the Governor or Legislature since they are representing the 950,000 people in their district.

Chairman Doug Galyon, spoke on behalf of the North Carolina Board of Transportation. He is one of 19 members of the Board, all appointed by the Governor to four-year terms and confirmed by the Senate. The state is divided into 14 highway divisions with one Board member appointed from each division. There are five members appointed at large. The secretary of transportation serves as an ex-officio member of the Board. He doesn't have a vote, but has a lot of influence on the Board. The state maintains the second largest road system in the nation with about 80,000

miles of roads. The Board's mission is to connect the people and places in North Carolina safely and efficiently with accountability and environmental sensitivity.

Former Commissioner John Hardee spoke on behalf of the South Carolina Transportation Commission. Of the seven members on the Commission, six are elected, with one from each congressional district, by the legislators from that district, and one is appointed by the governor. The governor appoints the secretary of the Department who is confirmed by the senate. Lack of funding remains as their greatest challenge.

There were no representatives from the Virginia Commonwealth Transportation Board.

Chairman Marchena spoke for the Florida Transportation Commission. The Commission is a nine member board appointed by the Governor and confirmed by the Senate. It was created by the Legislature in 1987 to provide oversight to the Florida Department of Transportation. The Commission acts as the board of directors to the Department. The Commission provides the governance, the Department provides the management. The Commission has established performance standards for the Department, and it is assessed quarterly and annually. The Commission serves as the search committee and makes recommendations to the Governor for the position of Secretary of Transportation. This Commission does not get involved in the selection of projects. Last year their responsibilities were expanded to include oversight of the state's toll agencies and transit agencies. Even though the Legislature took \$300 million from the Department's budget this year, these toll agencies should be capable of taking up the slack through their five year work programs.

Committee Vice Chairman Rosenbaum asked each board or commission to state what the budget is in their respective state DOTs. Arkansas has a budget of \$900 million. Georgia DOT's budget is \$2.3 billion. Florida DOT's budget is between \$8 and \$9 billion. Mississippi DOT's budget is between \$800 and \$900 million. North Carolina DOT's budget is \$2.1 billion. South Carolina DOT's budget is about \$1 billion.

Chairman Marchena introduced the Session's panel to discuss the next federal transportation authorization bill. John Horsley, the Executive Director of AASHTO, presented his thoughts on the reauthorization of the Federal transportation bill from a national perspective. His organization has been one of the strongest voices in this process for decades. Kathy Dedrick is the Majority Senior Policy Director for Transportation, U.S. Senate Environment and Public Works Committee. She provided an overview of the process and anticipated schedule for enactment of new surface transportation legislation in the U.S Senate. Jim Kolb, Staff Director of the House Transportation and Infrastructure Committee, provided an overview of the Subcommittee's hearing agenda and key issues to be considered as the Congress begins to develop new surface transportation legislation in the U.S. House of Representatives. Jim Tymon, Minority Staff Director of the House Transportation and Infrastructure Committee, offered comments on how states and others can best get involved in the process.

Chairman Marchena called on Mr. Horsley to start off the discussion. Mr. Horsley stated that AASHTO has ten legislative teams that have laid the groundwork by developing recommendations on the transportation authorization bill that will then be taken up by the

AASHTO Board to finalize on behalf of the 50 member AASHTO states, Puerto Rico and the District of Columbia. They will take these to the House and Senate for consideration as they draft the next transportation legislation. The states are facing a “double whammy” between the increases in construction costs and declining revenue. If Congress does not fix the current shortfall in the federal transportation fund, the states will be facing a one-third reduction in the federal program in this coming fiscal year. The House has passed a bill to address the federal funding shortfall, but the issue has stalled in the Senate. He stated that fuel taxes are still the most viable source of revenue, but it isn’t keeping up with the size of the program that was created with SAFETY-LU. The question becomes, “how do we sustain the program?” If there isn’t additional revenue added to the program by 2010 revenue continues to fall off from where it needs to be to sustain a viable program. The program needs to grow by 80 percent just to hold the current purchasing power through 2015. AASHTO will come up with recommendations as to whether this will occur by using a fuel tax or some other form of revenue collection. Mr. Horsley believes the Federal Commission on Surface Transportation on Policy and Revenue got most of the equation right. It called for a strong federal role, increased funding, a state and local partnership, and a total reform of the program. His concern with the recommendations just released by U.S. Secretary Mary Peters for the Administration is their focus on mega-regions with little focus on rural regions. He states that federal assistance is vital down to the smallest community. Connectivity continues to be a challenge and a priority. He would also like to see built into the new program accountability focused on results through performance management.

Ms. Hedrick stated that it is their intention to see a timely program implemented. They do not want to repeat the error of the last reauthorization process that required several extensions. She stated they have presented a fix to the transportation trust fund shortfall in the transportation appropriations bill for fiscal year ’09. The problem is it most likely won’t be enacted until the fiscal year ends. Senator Boxer (Ms. Hedrick’s boss) is working hard to address the shortfall issue. Ms. Hedrick stated it would be nice to get this short term issue fixed before focusing on the larger reauthorization bill. Senator Boxer has highlighted a few things she has an interest in seeing in the next reauthorization bill including, goods movement, clean air, safety, and program consolidation. She is working with Senators Bacchus, Inhofe, and Isakson to get this done. Ms. Hedrick believes they will be releasing their plan for reauthorization sometime in the fall in regards to how they want the process to go. In the meantime they are talking to the interest groups to gather ideas and best practices to be included in the bill. It’s going to be a huge challenge to make any major changes to the bill between now and the end of the current authorization. The states don’t have enough money for transportation and neither does the federal government, so the challenges will be great.

Mr. Kolb stated their goal is to get the authorization completed on time, but considering Congress is only in session for three more weeks, they aren’t expected to come back for a “lame duck” session, and a new congress as well as a new administration is coming in, the task seems ominous. He said this has been called the most important and difficult reauthorization in a generation. He also stated the last debate was about earmarks and equity and not about where the program needed to go. They need to move beyond that this time. He believes they will be moving a bill through the House sometime next spring and on to the Senate in late summer. However, they are not naïve enough to believe there won’t be challenges in accomplishing this in a timely manner.

Mr. Tymon stated the best way for state DOTs to influence the process is to have a good ongoing relationship with their state delegations, have the ability to get in touch with them quickly, and hold them accountable for what they support. These relationships have been lacking over the past few years. If a state does not have a solid relationship with its Congressional delegation they will not be able to get through to them quick enough to influence their position on the transportation bill. Many of a state's delegation are not on the transportation committees that will handle the bill so they are "flying blindly" when the bill is being debated on the floor and will end up supporting the leadership's position or the position of the ranking member of that committee. So if you make contact with your delegation early to let them know what your state's priorities are it will help in the long run. Mr. Tymon stated it is always a tough task to get the transportation bill completed on time. The last bill was almost a full two years late with 12 or 13 extensions, and the trust fund was flush with money at that time. SAFETY-LU was considered an evolution of TEA-21. Now it's time to revolutionize the program. People are no longer talking about reauthorizing the program, but authorizing the program. Trying to get all this done in 18 months is going to be a tough task. He stated they are going to need help from the outside communities to get this done. He believes some of the ideas that will be proposed will be "out of the box" thinking, some of which may not be politically popular.

The panel was asked for their thoughts on earmarks. Mr. Tymon stated that earmarks are not going to go away. Congress views earmarks as part of their role by designating projects in their districts. He does believe there will be changes to the process by making it more transparent and a smaller percentage of funds going to earmarks. Mr. Tymon urged state DOTs to work with their respective delegations to make sure they know which projects are important to them. Mr. Horsley supported this position. He added that we need to do a better job of recognizing the efforts of our senators and representatives when they are successful in directing funds to worthwhile projects. Mr. Horsley further stated that each delegation should be provided with a checklist of projects that the state DOT supports so they know when they are approached by a local representative requesting an earmark whether they should support it or not. Mr. Kolb added that it would be beneficial for a congressman to know how close a project is to "turning dirt." This way funds being directed to the project would not languish for years.

Mr. Tymon commented on the latest revenue estimates to the highway trust fund. He said there is a decrease of revenue into the fund in the amount of \$1.5 billion. However, spending out of the trust fund has been slowed to the tune of \$1.6 billion. This means states are not obligating their federal funds expeditiously. So the feeling on the federal level is there is something wrong at the state level since they are not spending the money the feds are giving them. He believes earmarks may be one explanation for the decrease in spending as some of the projects languish for years as funds are built up to make a project feasible. Chairman Galyon, remarked that in North Carolina they deal with earmarks by requiring these funds to come out of each division's equity formula. So if they pursue an earmark they know it will be taken from funds that are statutorily allocated to them. This helps to curtail some of the earmarks.

Chairman Barnett from Arkansas asked what the federal government's response to the states will be if there is no new federal funding source? Are they going to require the states to come up with their own funding sources? Mr. Kolb stated that Chairman Oberstar has no interest in dismantling the federal/state partnership. He's on record supporting a \$450 billion federal

program. However, he added, we may need to consolidate programs and focus in on what the federal interests are.

Chairman Marchena asked, that, given the \$1.5 trillion needed for transportation stated by Rep. Mica and the \$450 billion program offered by Oberstar, what is the Senate's position? Ms. Hedrick stated that the Senate is hoping to develop a policy strategy before offering up any dollar figure. She added that she agrees with Mr. Kolb's statement regarding keeping the federal/state partnership in the next authorization, but they will most likely reevaluate what the federal role should be.

Chairman Marchena noted that the agenda calls for a discussion of the collateral impacts of \$4.00 a gallon gasoline, but given the time constraints and the fact that gas prices have dropped recently, it may be a better use of time to continue the panel discussion.

A question was asked of the panel regarding the issue of private investment in funding transportation. Ms. Hedrick stated that public/private partnerships will definitely be one of the options they will consider in the new authorization and will consider under what circumstances private investment will be an alternative. Mr. Kolb added that his boss (Oberstar) has been tagged as "anti-PPP." He feels that we are dealing with things that are public goods and need to be treated as such, not as something that is in the interests of the shareholders of a company that invests in the infrastructure. The \$400 billion that has been mentioned as being available for investment in public infrastructure is not "free money." There is an expectation that it will be repaid. It is Oberstar's view that the deck may be stacked in favor of the private sector in such ventures. The public interests need to be fairly represented. However, it is recognized that PPPs will be part of the bigger picture in responding to infrastructure needs.

Mr. Horsley added that two thirds to 80 percent of future investment in transportation will probably go to preservation which does not lend itself to public-private partnerships. Mr. Tymon mentioned that PPPs have been used in other countries for years even though the concept is relatively new in the U.S., so there is a place for them here, but they are just another "tool in the toolbox". And we need to learn from the "mistakes" that were made in the Chicago and Indiana examples.

Steve Reich asked, in view of the fact that the recently proposed gas tax holiday proposals didn't gain any traction, does this open the door for increasing fuel taxes? Mr. Kolb stated that when gas prices go up there always seems to be someone who will propose a gas tax suspension bill, but they haven't gotten anywhere. However, the reality is that anytime you talk about a tax increase in Washington, the politics of that are really tough to overcome. He said there is a lot of support for the transportation program, but when the discussion turns to growing it and how you pay for growing it, then it becomes a different discussion.

Commissioner McClinton asked the panel to clarify the short term fix that was mentioned earlier in the panel discussion. Mr. Tymon explained that there was an effort in both the House and Senate to transfer \$8 billion from the general fund to the highway trust fund in order to keep it solvent through 2009. It passed the House by a huge margin. It passed through the Senate Appropriations Committee, but has not been taken up on the floor. The \$8 billion is the amount

that was transferred out of the highway trust fund to the general fund back in 1998 to help offset the budget deficit. At that point in time, the highway trust fund was flush with cash.

Commissioner McClinton asked Mr. Horsley if one of the AASHTO teams he mentioned earlier that is working on the new authorization is focusing on an increase in funding. Will Kempton, Director of the California Department of Transportation, chairs this committee. They are expected to come up with a series of ideas that the AASHTO Board will consider in October. They, in turn, will send a menu of options to Congress for its consideration.

Chairman Galyon asked the panel if they are looking at any specific ways of addressing the interstate maintenance problem. Mr. Kolb stated they have looked at the overall preservation issue and recognize the backlog of needs in both the highway program and transit program. How the pie gets split up between maintenance and capacity improvements will be part of the debate during this cycle. Chairman Galyon stated the North Carolina DOT is using GARVEE bonds to address some of its interstate maintenance problems.

Chairman Marchena thanked the panel for their participation today and help in trying to secure a fair and equitable reauthorization bill.

Committee Vice Chairman Rosenbaum stated that Commissioner Emory McClinton, has copies of a resolution he would like to propose. Committee Vice Chairman Rosenbaum stated he would like to appoint a committee of the new officers to look the proposal over. Commissioner McClinton stated he would like to pass copies of the resolution out to the members of today's panel.

Committee Vice Chairman Rosenbaum asked for nominations for the election of Chairman for the next Special Committee on Commissioners and Boards. Since SASHTO will be in Mississippi next year Chairman Barnnett recommended that Commissioner Wayne Brown of the Mississippi Transportation Commission be the next Committee Chairman. The nomination was seconded by Chairman Marchena and passed unanimously. Chairman Marchena nominated Vice Chairman Rosenbaum to continue in the role as Committee Vice Chairman. The nomination was seconded and passed unanimously. Commissioner McClinton nominated, Commissioner Brandon Beach of the Georgia Transportation Board for the position of Secretary of the Committee. The nomination was seconded and passed unanimously.

Committee Vice Chairman Rosenbaum thanked everyone for attending the meeting and made sure everyone received a copy of a publication put out by the National Asphalt Pavement Association entitled, "A New Transportation Commitment for America". Committee Vice Chairman Rosenbaum wanted to point out that there were 14,000 people killed on America's highways because of bad road conditions. This is the equivalent of 26 fully loaded jumbo jets going down. If we were talking about jumbo jets Congress would do something about the deaths.

The meeting was adjourned at approximately 3:00 p.m.

Respectfully submitted by Mark Reichert, Assistant Director to the Florida Transportation Commission