

Transportation Issues for 2013
For Discussion During the January 24, 2013
FTC Workshop

I think we on the FTC get it that traditional funding sources are inadequate to fully fund future transportation needs. We have heard much discussion of the declining fuel tax revenue and of alternative funding sources like tolls, public-private partnerships, and vehicle-mile-traveled billing alternatives, for example. All such alternatives will be hard-to-sell to the typical user/driver who may never think about how roads are built and maintained and may not even know they are paying fuel taxes when they fill their tanks.

Accordingly, I believe we need a new paradigm for delivery of transportation services. We need to think of transportation services more like a utility provider. Everyone knows that when you flip a light switch or run the AC, you are consuming a given amount of electric “service” and will be billed accordingly. Everyone understand that filling the tub with water or washing a load of clothes will consume a measured amount of water (“service”) and will result in an associated utility charge.

Similarly, the Florida Department of Transportation could be considered the Florida transportation utility. Through such model, we can begin to make clear the currently existing but mostly invisible connection between miles driven and cost of service.

The following tasks will need to be accomplished to begin implementation of what I think could be a big step toward a long-term solution to delivery and sustainable funding of required transportation services:

1. Through discussions with the Performance Measures Working Group, or such similar groups, review data needed (existing or new) to begin to quantify costs in terms of more readily measurable and common units (i.e., VMT).
2. Using the “utility” model, begin to categorize costs as fixed or variable based on selected unit of service.
3. Consider options for something like a utility “customer service” and/or “demand fee” for fixed costs and a subsequent “unit service” cost to cover variable costs.
4. Consider existing and future tolls and how such can readily be incorporated into the utility model, and potentially as regional providers.
5. Review current laws/regulations/rules and discuss legislative actions needed for implementation.

I do not envision creation of a new and expensive administration but rather new thinking and action from the existing system. However, it may be that after looking at implementation costs, the only cost effective alternative might be to increase gas taxes.