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Blue Ribbon Panel Delivers on Strategic Transportation Plan
Recommendations address growth, congestion and revenue shortfalls

Raleigh, N.C. – Fourteen months after appointment by Gov. Mike Easley, President Pro Tem Marc Basnight and House Speaker Joe Hackney, the 21st Century Transportation Committee has submitted its plan for reform of transportation funding in North Carolina. The report, delivered ahead of schedule, marks the successful collaboration of legislators and business and community leaders under the direction of Chairman Brad Wilson, COO of Blue Cross and Blue Shield of North Carolina.

Transportation advocacy group *NC Go!* applauds committee members for their work and visionary leadership and especially recognizes the role Wilson has played in keeping the committee on task and on schedule. All of these appointees contributed time and energy outside of their normal jobs.

The committee recommendations seek to address the explosive growth of our state and the inadequacy of current transportation funding. Inadequate funding has created a shortfall that has left our state with congested roads, deteriorating or unsafe bridges and insufficient mobility options like public transportation. The funding shortfall is the result of growth and revenue sources in need of updating.

“The 21st Century Transportation Committee has done the heavy lifting in creating a plan for transportation funding reform,” said Marc Finlayson, *NC Go!* co-chair and executive director for the Highway 17 Association. “Now it is up to legislators to act upon the recommendations before our transportation system becomes a drag on an already struggling economy. Invest now and you create jobs, put money back into communities and get meaningful projects completed.”

North Carolina, once regarded as *The Good Roads State*, is already facing a more than \$65 billion shortfall between projected transportation needs and estimated revenue. Underinvestment in highways, public transit and other components of the transportation system impact congestion, safety, citizens’ quality of life and the economic health of our state. Sitting in traffic is bad for existing businesses and hinders our ability to attract new industry.

NC Go! is pleased to see the following committee recommendations, which include:

Phasing out the transfer from the Highway Trust Fund to the General Fund. *NC Go!* has long advocated that transportation revenue should be used for transportation needs. The phase out, which began during the last legislative session, is a good start, but even ending the full transfer marks a ‘drop in the bucket’ for necessary funding.

Fix-it-First Policy. Protect past transportation investments and reduce long-term repair costs. Doing so, along with ending the Highway Trust Fund transfer, can help restore the public’s confidence in how their transportation dollars are spent.

Seek alternatives to the motor fuels tax. The gas tax worked well for many years but declining fuel consumption and increasing fuel efficiency no longer make this an equitable system. Basing usage on vehicle miles traveled is more accurate than on fuel consumption.

Intermodal transportation. The General Assembly should grant local communities the ability to vote on a local option sales tax for transit and other transportation projects. Also, the legislature should fund the Congestion Relief and Intermodal Transportation 21st Century Fund.

Bonds. To jump start transportation construction projects, the General Assembly must authorize a referendum on a meaningful bond package for major, congested highways. The potential federal stimulus is not a substitute for dedicated state funding.

Tolls. Other than vehicle miles traveled, tolling represents the most accurate gauge of one's use of roadways. I-95 and I-77 are both heavily used by out-of-state vehicles and in need of repairs/expansion. Currently, there is no way to collect on that usage unless motorists purchase fuel.

Vehicle Fees. Registration fees should be not only comparable to those in neighboring states, but they should rise and fall in line with inflation. Explosive transportation construction inflation – more than 120 percent in six years – is one reason why the buying power of transportation revenue has fallen sharply.

“The case has been made for the needs, and now we have a plan,” said Finlayson. “The public and legislators have to get behind these recommendations if we plan to have the kind of transportation system we want and need.”

“We also have to step back and view vehicle miles traveled in a different light,” added Finlayson. “Rather than criticizing implementation or collection, let's ask ourselves what is the best estimate of the miles of road we drive. That would be the vehicle miles traveled. We can figure out the system once we agree on the need for an update from the gas tax.”

“Legislators should also act quickly on these recommendations – and not get lulled into inaction by the promise of federal stimulus funding,” said Finlayson. “Our needs are great and unless we undertake the real sort of reform the committee offered, we will be stuck in the same place in a few years.”

About NC Go!

NC Go! is the state's only broad-based coalition advocating for North Carolina's transportation system. Our coalition consists of more than 100 businesses, chambers of commerce, associations and transit agencies representing 25,000 businesses and member organizations, with more than 6 million employees, transit riders, citizens and drivers in North Carolina. **NC Go!** has led the call to adequately invest in highways, bridges, public transportation, rails, ports, airports and ferries.

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