

THE BOND BUYER

Wednesday, November 25, 2015 | as of

12:42 PM ET

Infrastructure

States Finding Own Roads to Highway Funding

by [Jim Watts](#)

NOV 19, 2015 3:44pm ET

DENVER – Legislative gridlock in Congress that has resulted in numerous short-term fixes to the Highway Trust Fund over the past 10 years has stimulated efforts by states to solve their infrastructure funding problems, transportation experts said at The Bond Buyers' Transportation Finance/P3 Conference here.

"The states are realizing they are going to have to fill the financing void themselves," said Bryan Kendro of Public Solutions and Strategies at a Thursday morning session. "Whether the solution is an increase in the state gasoline tax, a dedicated sales tax, or higher vehicle fees, the states can no longer wait around for the federal government to solve the problem."

How to fund transportation infrastructure will be one of the most significant public policy questions facing the country for the next 20 years, Kendro said.

"The gasoline tax is not sufficient, and vehicle-miles-traveled is decades away," he said. "The most viable long-term solution is tolling of interstate highways but that cannot happen until Congress gives more flexibility to the states to toll existing interstate lanes."

Kendro said it is a "shame" that the House's proposed six-year transportation bill, as well as the Senate's measure, would significantly reduce the low-cost federal loans awarded to transportation projects through the Transportation Infrastructure on Financing and Innovation Act program.

The House plan would cut TIFIA funding from the current \$1 billion per year to \$200 million per year. The Senate would reduce TIFIA to \$300 million per year.

"It's a reflection of trying to get the bill done," Kendro said "It's a zero-sum game. If more money is put into TIFIA, it has to come out of something else."

States are in dire straits because the federal government is the "most unreliable funding partner out there right now," Shailen Bhatt, executive director of the Colorado Department of Transportation, said at Wednesday's opening session.

"It's apparent to us in Colorado that the federal government is not going to save us," he said.

"State revenues are not going to save us, either. That's why we are going to be very reliant on

public-private partnerships in the future."

Colorado's transportation budget devotes \$68.94 per resident to infrastructure projects, down from \$125.70 per resident in 1991, Bhatt said.

Technologies that allow cars with on-board diagnostics and the ability to communicate with each other could be part of the funding solution, but that is at least 10 to 15 years away, or so it seems now, he said.

"How many of you could conceive of your cellphone and its capabilities 15 or 20 years ago?" Bhatt said.

Intelligent cars could allow highway lane widths to be reduced to eight feet and warn of traffic problems ahead, both of which could alleviate congestion and generate more revenue from toll roads, he said.

"Right now, the car makers see it as a question of how to put smart technologies into their vehicles," Bhatt said. "On the other hand, the tech companies want to put four wheels onto their technologies and change the paradigm."



© 2015 [SourceMedia](#). All rights reserved.
[Mobile Version](#)