

The State of Transportation In Wisconsin

A Comprehensive Report on Wisconsin's Transportation Funding Challenges



Changing Consumer Behavior



Rising Construction Inflation



Aging Population & Infrastructure



Growing Unmet Transportation Needs

November 2008

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1 Introduction

Wisconsin will need to take immediate steps to begin addressing several significant national trends that threaten the viability of its transportation fund. First, construction inflation is increasing well beyond the rate of general inflation – eroding the purchasing power of the fund. Second, gas consumption is declining – and will decline more rapidly in the future – due to the weak economy, new federal Corporate Average Fuel Economy (CAFE) standards, people driving more fuel-efficient vehicles and driving alternatively powered vehicles. Third, America’s infrastructure is aging and Wisconsin’s is no different. The interstate system is turning 50 years old, which means repairs and maintenance are no longer adequate.

One of these factors has already wreaked havoc on the federal Highway Trust Fund (HTF). The reduction in gasoline consumption due to Americans driving less this past summer sent the HTF into a downward spiral. On September 20, 2008, President Bush signed legislation transferring \$8 billion from the country’s general fund to the HTF just days before the fund would have become insolvent.

Wisconsin is particularly vulnerable to the decline in gasoline consumption as it relies more heavily on revenues from gasoline taxes than any other state in the nation. Wisconsin is also now more vulnerable to escalating construction inflation because it no longer indexes its narrow revenue base to any inflationary factors.

This report will examine how these national trends, coupled with Wisconsin’s recent

policy decisions, increasing debt service and demographic changes, will render the fund simply unable to meet the needs of our crumbling freeways, local roads and transit systems as well as our ports, rail and airports if corrective action is not taken.

Finally, the report will focus on what steps need to be taken next as well as what opportunities exist. New approaches will be necessary for Wisconsin to avoid a meltdown of its transportation fund. Wisconsin does have the opportunity, however, to implement a new approach and increase its competitiveness measurably.

Access to transportation services is one of the key factors in where businesses are choosing to locate and expand. By acting decisively Wisconsin can offer such advantages to businesses. This will require a vision that builds upon Wisconsin’s existing geographical and cultural assets. And it will require leadership to invest in that vision.



Wisconsin's transportation fund is not equipped to meet the imminent transportation needs of the next decade if Wisconsin's revenue structure remains unchanged.

2 Growing Gap Between Costs and Revenues

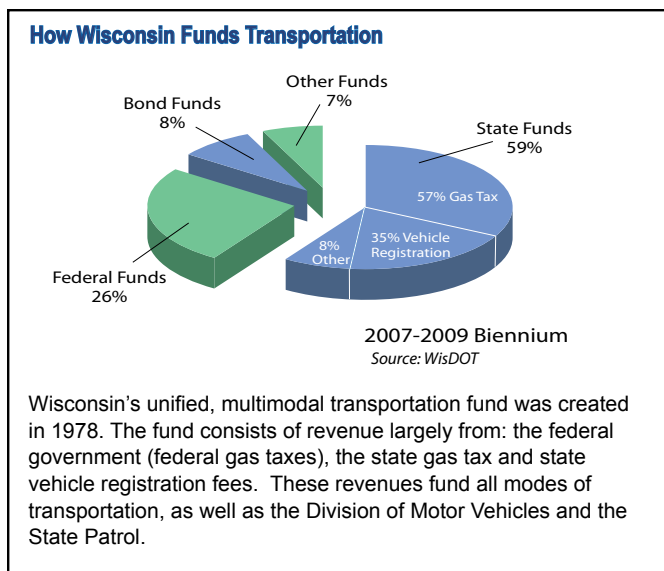
Wisconsin's transportation fund is comprised of three main funding sources:

- Federal Funds
- State Funds
- Bond Funds

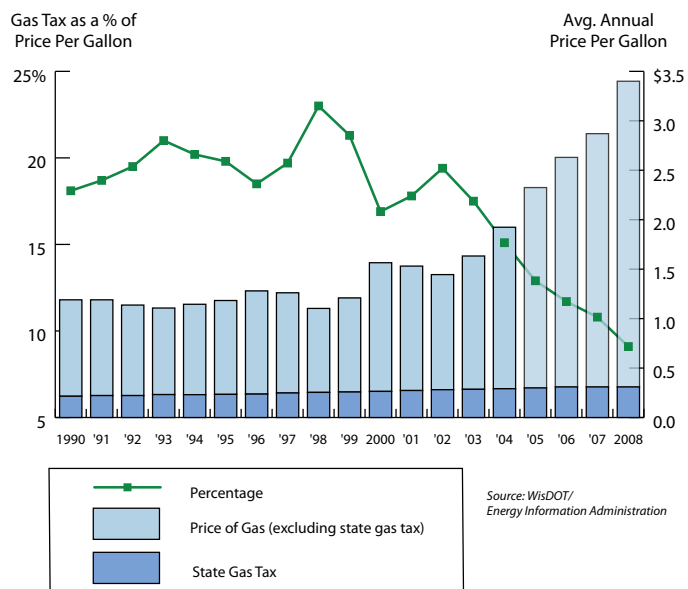
Federal funds make up about one quarter of Wisconsin's total transportation budget. Federal funds are raised predominantly through the federal gas tax (18.4 cents per gallon). Wisconsin currently receives about a \$1.06 return for every \$1.00 of federal gas tax money it sends to Washington. State transportation funding is primarily made up of the state gas tax and vehicle registration fees. The state's gas tax (30.9 cents per gallon excluding the two cents per gallon for the petroleum cleanup fund) contributes 57% of state transportation revenue and 34% of all transportation funds – the largest single source.

This heavy reliance on gas taxes to fund transportation has been a conscious choice by policymakers because it has been widely believed to be a very effective user fee. This user fee served the country well, and Wisconsin particularly well before gas tax indexing was repealed, effective in 2006. Indexing helped gas tax revenues grow with the economy in a way that general fund revenues do automatically with increased prices and incomes.

Wisconsin has transitioned over the past 20 years from a transportation fund that was indexed to highway maintenance costs to a fund that is not even indexed to general inflation. There is a complete disconnect between what is occurring with the cost of

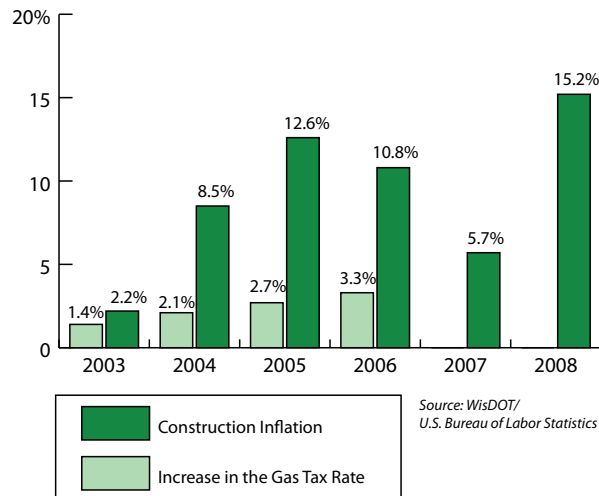


PRICE OF GAS & STATE GAS TAX



maintaining transportation infrastructure and the current funding mechanism. Even if Wisconsin had retained gas tax indexing, however, the national trend of declining gas usage due to people driving more fuel-efficient vehicles and driving alternatively powered vehicles is simply eroding the effectiveness of the gas tax as a user fee.

CONSTRUCTION INFLATION



Wisconsin's transportation fund is not equipped to meet the imminent transportation needs of the next decade if Wisconsin's revenue structure remains unchanged. Delaying maintenance and improvement will only postpone the benefits of the projects, including possible safety enhancements, and increase the cost as construction inflation drives up the price tag every year a project is delayed.

In 2006, the state legislature convened a committee to look at transportation needs in Wisconsin and the capability of the transportation fund to meet those needs. The committee, commonly referred to as the Road to the Future Committee, consisted of 12 legislators – eight Republicans and four Democrats. After months of hearings around the state, and deliberations, the committee submitted its final report in December of 2006. The report concluded that in the areas of roads and mass transit, Wisconsin fell \$700 million¹ short on an annual basis of meeting basic agreed on benchmarks.

Following the issuance of the report, the legislature and governor passed the 2007-

09 biennial budget. Registration fees for vehicles and heavy trucks were increased along with some other minor fee increases. These increases created approximately \$140 million² of additional revenue per year for the transportation fund.

Subsequent to the passage of the 2007-09 biennial budget, Representative Mark Gottlieb, a co-chair of the Road to the Future Committee, requested the Legislative Fiscal Bureau recalculate the findings of the committee using new revenue projections given the recently passed budget and increasing costs due to construction inflation. The Fiscal Bureau complied with a memorandum in which it revealed that construction inflation had not only negated the gains from the recently passed budget but had set the fund back even further. The memo indicated that the \$700 million annual shortfall now stood at over \$900 million³.

History of Gas Tax Indexing in Wisconsin

- 1970s – Decade of disinvestment
- 1980s – Legislature is forced to vote to increase gas tax five separate times totaling 11 cents.
- 1983 – In order to avoid repeating these mistakes Act 27 is passed providing that motor fuel tax rates will be adjusted annually to reflect changes in fuel consumption and the highway maintenance cost index.
- 1991 - Gas tax indexing is modified. It is now adjusted for annual changes in fuel consumption and Consumer Price Index (CPI).
- 1997 – Executive Budget Act eliminates consumption as a factor and leaves CPI as the sole factor for year-to-year adjustments.
- 2005 – Legislature passes and governor signs repeal of gas tax indexing.
- 2006 – April 1st repeal becomes effective. Any link between increasing costs and the fund is completely severed.

Source: WisDOT

The future implications of relying on such a narrow revenue base are likely to be much more severe in light of declining consumption of gasoline.

3 Wisconsin is Particularly Vulnerable

Wisconsin's lack of diversity in its transportation fund is nothing new. It has been the topic of discussion for decades. Proponents of the gas tax argue that it is the most efficient user fee and captures revenue from out-of-state motorists as well as from Wisconsin residents.

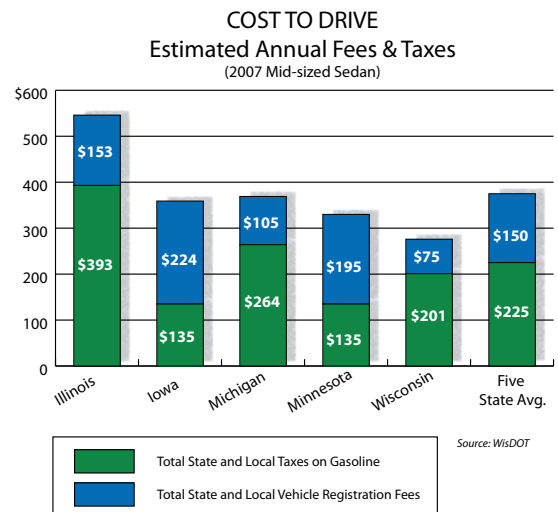
Every state relies on the gas tax for a significant portion of its funding stream, but most have diversified their revenues to include other options. For example, many states use general purpose revenue to support transit and passenger rail capital expenditures.

Following is a chart of Midwestern states and the revenue sources they utilize to fund transportation.

TRANSPORTATION REVENUE SOURCES

	Illinois	Indiana	Iowa	Michigan	Minnesota	Wisconsin
Motor Fuel Tax	✓	✓	✓	✓	✓	✓
Registration Fees	✓	✓	✓	✓	✓	✓
Bonding	✓	✓		✓	✓	✓
Tolls/Congestion Pricing	✓	✓		✓	✓	
General Fund Appropriations	✓	✓	✓	✓	✓	
Motor Fuel Sales Tax				✓		
Vehicle Sales Tax			✓	✓	✓	
Vehicle-related Sales Tax				✓		
Local-option General Taxes	✓	✓	✓	✓	✓	

The consequences to date of relying on such a narrow revenue base are that Wisconsin ranks as having one of the highest gas taxes in the country even though it ranks 32nd⁴ in the amount of overall transportation vehicle-related costs. The high gas tax is, of course, extremely visible and has garnered a considerable amount of concern among the motoring public despite Wisconsin's below average cost to drive.

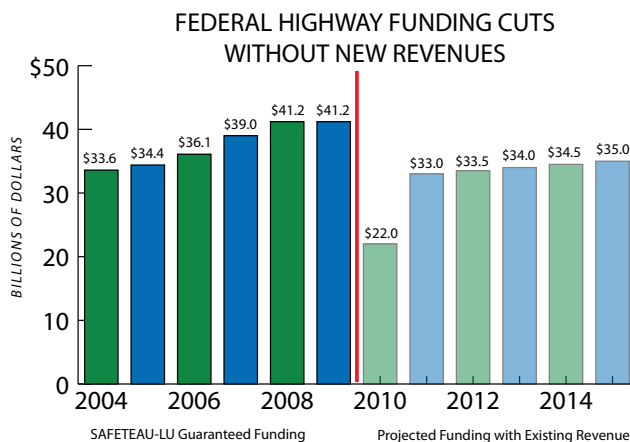


The future implications of relying on such a narrow revenue base are likely to be much more severe in light of declining gasoline consumption. The slight decrease in consumption at the federal level (3%-4%) has already precipitated a shortfall in the HTF, and much quicker than was originally forecast. In September of this year the President signed legislation transferring \$8 billion from the general fund to the HTF days before the fund would have been insolvent.

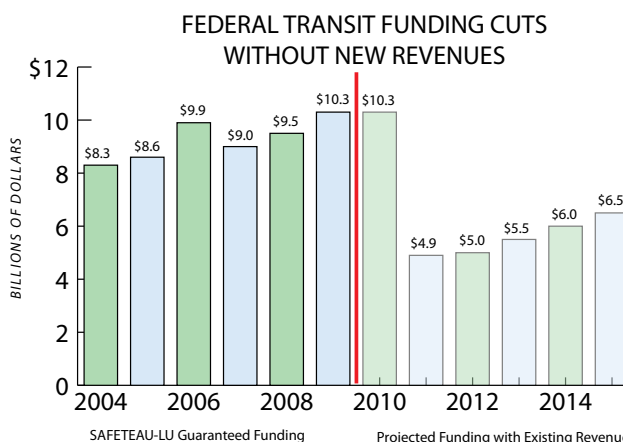
The current reduction in consumption has simply been the result of Americans driving less due to high gas prices. The systemic changes in the types of automobiles and energy sources that are underway will have a far more significant impact on the viability of the gas tax as a transportation revenue source in the future. States that don't have other revenue streams in addition to the gasoline tax will suffer disproportionately.

While Wisconsin has enjoyed a positive return on the dollars it sends to Washington in recent years, relying too heavily on federal funding to solve its transportation challenges would be a mistake. In addition to the instability of the federal fund, there are significant discussions occurring in Washington about throwing out the current funding formulas and starting over in the upcoming federal reauthorization bill. How Wisconsin would fare under such a scenario when considering the daunting needs on both the East and West Coasts is uncertain at best.

Wisconsin does not allow for local-option taxes such as those that might be imposed by a Regional Transit Authority (RTA). This has severely constricted communities' ability to sustain robust or even adequate transit systems. This policy has also tended to pit transit interests against road interests as they compete for the same gas tax and registration fee revenues. The only other substantive alternative currently available to local government is the property tax. These two options have placed local government in Wisconsin directly between a rock and a hard place. As pointed out in Chapter 6 the results have not been positive. The issue of local-option taxes is currently being considered by the Legislative Council's Special Committee on Regional Transportation Authority.



Source: American Road and Transportation Builders Association (ARTBA) & American Association of State Highway and Transportation Officials (AASHTO) calculations from Federal Highway Administration (FHWA) and Treasury data



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Special Committee on Regional Transportation Authority

The need for Wisconsin to pass enabling legislation to allow local governments to form Regional Transit Authorities (RTAs) has been debated within the legislature for several years. Much of the debate has centered around how the RTA would be formed and what type of taxing authority it would possess. Despite ongoing meetings among many different stakeholders during 2007-2008, legislation did not materialize until Assembly Bill 939 was introduced with little time remaining in the legislative session. The bill was referred to the Assembly Committee on Transportation but never had a hearing.

In April of this year, the Joint Legislative Council decided that RTAs would be one of the 12 topics for its 2008 interim study committees. According to the Special Committee on Regional Transportation Authority website, the 22-member committee is directed to "review and provide recommendations on how to create a statutory framework enabling counties, cities, villages, and towns to create RTAs to promote regional cooperation on transportation issues, including: the funding mechanisms to be used to support an RTA; the method of creation of an RTA, the representation and participation of member units of government on an RTA; the types of transportation services that an RTA could be authorized to administer; and the scope and limits of other RTA authority."

The Study Committee is expected to draft legislation to be introduced for the 2009-10 legislative session.

These transfers have cost the transportation fund more than just money.

4 Restoring Public Confidence

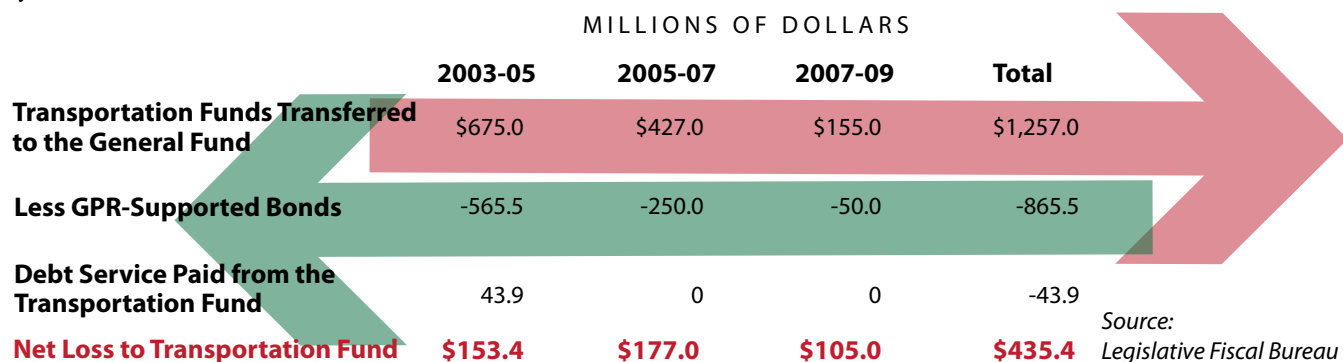
Despite the inability of transportation revenues to keep up with transportation costs over the past decade, Wisconsin's elected officials have taken money out of the transportation fund in order to help solve budget deficits in the general fund.

Since 2003, more than \$1.2 billion has been transferred from the segregated transportation fund to the general fund. Over \$850 million of that was replaced with bonds supported with general purpose revenues (GPR). More than \$400 million left the transportation fund entirely. The chart below shows the transfers by year.

In 2007 AAA Wisconsin conducted a statewide survey in which it asked:

"Do you believe transportation revenues (mainly motor-fuel taxes and vehicle registration fees) should be used solely for transportation purposes and not diverted for non-transportation purposes?"

YES	94%
NO	6% ⁵



These transfers have cost the transportation fund more than just money. The importance of using transportation funds to pay for transportation projects and programs is clearly understood by the public – to the point of being an unambiguous and forceful mandate. The public has clearly indicated that transferring any dollars that were raised via gas taxes and registration fees to the general fund is contrary to how the government is supposed to use these “segregated funds.”

Yet state government has failed to abide by either the stated objectives of the transportation fund or the public's expressed wishes. As a result, the public no longer trusts that gas taxes and vehicle registration fees will be used appropriately. This is one reason why the public acknowledges the pressing need to tackle transportation projects on one hand, and a resistance to any increases in “user fees” needed to finance the state's transportation infrastructure on the other.

The question is whether Wisconsin will take advantage of these changes or become a victim of these changes.

5 Times are Changing

A series of historic demographic and economic shifts will force Wisconsin to re-examine how it views its transportation network.

Changing Demographic

Between now and 2030, Wisconsin's population is projected to grow by approximately 1 million people or 18%. During that same period, the population 65 years of age and older is projected to increase by more than 90%⁶. This rapid aging of our society is going to require a new approach to public transportation.

These same demographic trends also indicate that there is going to be a shortage of workers, especially for high-skilled jobs. States will be competing to attract these workers and their families. Wisconsin is uniquely situated to fare well in this competitive environment if it takes advantage of its natural assets. The location of Wisconsin between Chicago and Minneapolis, coupled with housing one of the premiere research institutions, presents Wisconsin with a golden opportunity.

The Wisconsin Technology Council refers to this as the IQ corridor. As the council points out, however, Wisconsin needs to have the transportation services, such as passenger rail, available to make traversing this corridor easy and painless in order to benefit from this asset.

Aging Infrastructure

The vast majority of Wisconsin's interstate system, like the nation's interstate system, is turning 50 years

old – which means the interstate is at the end of its useful life and needs to be rebuilt. The Marquette Interchange was the first step in this process. It has been a true success story – coming in ahead of schedule and under budget. The \$800 million Marquette, however, represents less than one sixth of the projected cost of rebuilding the interstate system in southeastern Wisconsin alone.

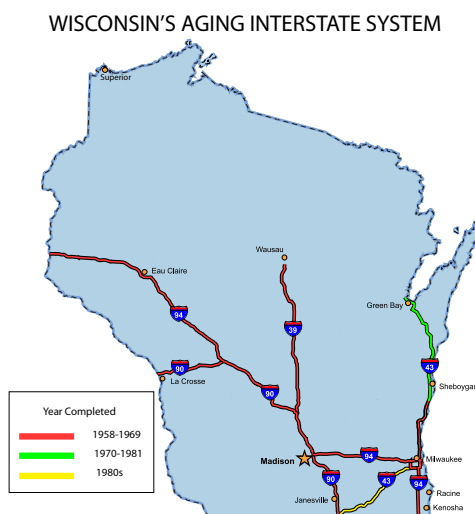
Emerging Markets

The recent advent of containerization has already revolutionized international shipping. International trade increased from 13% of the U.S. economy in 1990 to 30% by 2007. The volume of international containers coming into U.S. ports is forecast to increase from 40 million in 2005 to 110 million by 2020. Truck volumes are expected to double by 2035, and freight rail to increase by over 60%⁷. This will impact Wisconsin's ports, railroads and highways.

Back to Basics

The recent collapse of the lending markets has seriously shaken the economy in the U.S. It has also fostered a national conversation about “getting back to basics” – refocusing the nation's resources on the elements that built the greatest economy in the world. One of those basics is our transportation infrastructure.

The question is whether Wisconsin will take advantage of these changes or become a victim of these changes.



While high gas prices have resulted in 50-year highs for transit ridership across the country, Milwaukee has seen ridership plunge to a 33-year low.

6 Wisconsin is Feeling the Effects

The consequences of soaring construction inflation, aging infrastructure, diversion of funds and insufficient revenues are beginning to materialize in very real ways to Wisconsin citizens.

The 2007 Report Card on Wisconsin's Infrastructure by the American Society of Civil Engineers lowered Wisconsin's grade for both roads and bridges. The report points out that without additional funding beyond current levels both of these areas will see additional grade reductions in the future.

In March of 2008, TRIP, a national transportation research group, released its report on the condition of urban roads in America. In Wisconsin, the cities that met the criteria for "urban" were Milwaukee and Madison. The report found that deteriorating road conditions are costing drivers well over \$400 a year in both cities, and that well over 50% of the streets are in poor or mediocre condition⁸.

THE COST OF WISCONSIN'S BUMPY ROADS

	Poor	Mediocre	Fair	Good	Annual Cost
Milwaukee	25%	31%	18%	26%	\$447
Madison	20%	35%	26%	18%	\$431

In 2007, the city of Milwaukee faced a 163-year cycle for repairing its urban streets. In 2008, the city adopted a \$20 wheel tax in order to begin addressing this unacceptable backlog of road projects.

Report Card on Wisconsin's Infrastructure		
	2003	2007
Roads	<i>e-</i>	<i>D+</i>
Bridges	<i>B-</i>	<i>C</i>
Transit	<i>e+</i>	<i>e+</i>

Source: American Society of Civil Engineers - Wisconsin Chapter, ASCE 2003, 2007 Wisconsin Report Card

While high gas prices have resulted in 50-year highs for transit ridership across the country, Milwaukee has seen ridership plunge to a 33-year low due to increased fares and decreased routes. Without a dedicated funding source for transit, Milwaukee and other transit systems across the state will continue to struggle. States have been moving to Regional Transit Authorities (RTAs) and dedicated funding sources for precisely this reason.

A recent study by University of Wisconsin-Milwaukee Center for Economic Development titled, "Out of Service: The Impact of Transit Cuts on Access to Jobs in Metropolitan Milwaukee" highlights how commuters have been affected by bus route reductions over the past seven years in Milwaukee. The study demonstrates that the reductions in bus routes over this period resulted in a change in the percentage of employers within a quarter-mile of a bus stop from 63% to 55% in the four-county region. In addition, the authors estimate that, at a minimum, 40,507 jobs became inaccessible by transit between 2001 and 2007 due to the transit service cuts⁹.

The Southeastern Wisconsin Regional Planning Commission (SEWRPC) and the Public Policy Forum have both warned that without new funding the Milwaukee County bus system will likely be forced to cut service by another 35%, eliminating all Freeway Flyer routes and most night, weekend and suburban service. The University of Wisconsin-Milwaukee report concludes, "Such an outcome would be disastrous for the regional economy."

Major highways in Wisconsin are feeling the same squeeze. As noted below, Wisconsin's Transportation Projects Commission (TPC) has slowed the major projects it recommends and approves to less than a trickle.

Transportation Projects Commission

Major highway development projects are generally the most complex and costly initiated by the Wisconsin Department of Transportation (WisDOT). They are long-term solutions to the most serious deficiencies on highly traveled segments of the highway system.

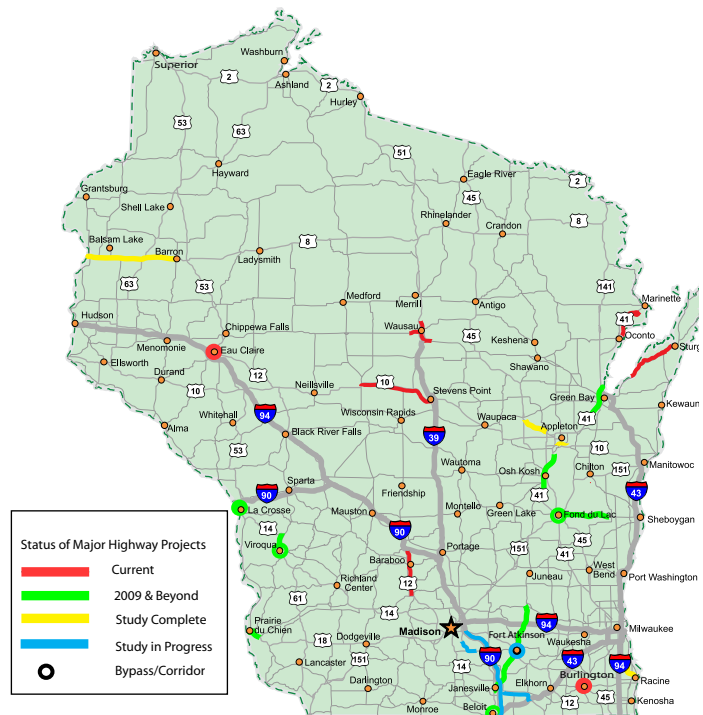
Major highway projects must be authorized by the legislature and the governor before they are enumerated in the statutes. In 1983, the Transportation Projects Commission (TPC) was created to review WisDOT proposals and recommend major projects for enumeration. The TPC consists of 15 members: the governor, 3 citizen members appointed by the governor, 5 senators, 5 representatives and the secretary of transportation, who serves as a non-voting member.

Every two years, the TPC may recommend major highway projects for enumeration. Statutes prohibit it from recommending projects unless there is sufficient funding to allow construction to begin within six years. According to an evaluation of the Major Highway Program conducted by the Legislative Audit Bureau in 2003, it takes 12 years, on average, from enumeration to construction completion.

Due to the lack of funding available, the TPC has not met since 2002. Some of the individuals currently listed as members of the TPC no longer hold the position under which they were appointed.

It is important to note that according to WisDOT "the selection of major highway investment projects in Wisconsin is explicitly based upon the potential each project has to contribute to economic development... A highway project with great potential for contributing to the productivity of the industries along the corridor will score higher than a project with less potential to boost the productivity of industries along the route."

There are eight major projects fitting this criterion currently under review. They are listed on the right. While these important projects continue to wait, new projects are not being recommended to begin the lengthy study process.



MAJOR HIGHWAY PROJECTS

Enumerated Projects

Study Projects

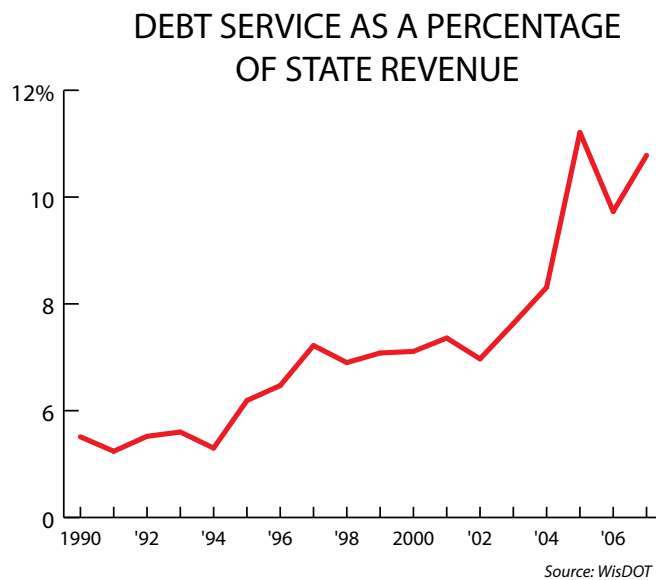
81/213	Beloit Bypass	51	Stoughton-McFarland
151	Fond du Lac Bypass	39	USH 12-Illinois
53	Eau Claire Bypass	12	Fort Atkinson Bypass
12	Lake Delton-Sauk City	14/11	Janesville-I-43
11	Burlington Bypass	38	Oakwood Road-County K
57	Dykesville-Sturgeon Bay	10/441	County CB-Oneida Street
23	STH 67-USH 41	15/45	STH 76-New London
41	Oconto-Peshtigo	8	STH 35 North-USH 53
26	Janesville-Watertown		
14	Viroqua-Westby		
18	Prairie du Chien - STH 60		
41	STH 26-Breezewood Lane		
41	De Pere-Suamico		
10	Marshfield-USH 45		
53	La Crosse Corridor		
39/51	I-39/USH 51 Corridor		

It is important that Wisconsin uses debt strategically, not as just another revenue source.

7 Wisconsin Can't Borrow its Way Out

The recent credit crisis has grabbed the headlines and highlighted the perils of living beyond one's means – as an individual, state or nation. However, the responsible use of debt to finance a portion of long-term capital projects has an important place in the transportation budget. Historically transportation bonding has represented approximately 6%-7% of total transportation revenue but that percentage has gone up over the last three biennia and so has the cost of servicing that debt.

It is important that Wisconsin uses debt strategically, not just as another revenue source. Increasing debt service reduces the amount of revenue available for future projects and improvements, but in this period of high construction inflation, increased interest costs need to be weighed against the higher cost if projects are delayed.



Wisconsin needs to assess the changes that are occurring in the world today and become a pioneer once again.

8 Our Future Rides On It

The challenges outlined in this report are significant and will greatly hinder Wisconsin's economy and quality of life if left unaddressed. The intersection of a narrow funding base – which is losing purchasing power – with a lack of fiscal integrity and escalating construction inflation makes it difficult to arrive at an alternative conclusion.

The upside is that Wisconsin is well-positioned to reverse this trend. The malaise that Wisconsin is experiencing in regard to its infrastructure is not unique and is in fact occurring in most states. Wisconsin does have a recent history of investing in its infrastructure and pioneering funding mechanisms to do so. Wisconsin was one of the first states in the country to adopt gas tax indexing two decades ago. National commissions are just now recommending that the federal government pursue indexing, and various states around the nation are considering it as well.

The repeal of gas tax indexing was a mistake. The answer, however, in today's context, is not as simple as reinstating indexing. While reinstating indexing may be an appropriate component of a larger strategy, Wisconsin needs to assess its goals along with changes that are occurring in the world today and become a pioneer once again.

First, Wisconsin must decide what it wants its transportation network to accomplish. Corridors 2020 was a tremendous example of the state of Wisconsin sitting down with stakeholders and developing a strategic plan for the major arteries in this state. Wisconsin then set about prioritizing resources to fulfill that strategic plan. Looking at where new

Moving Forward

1. **MAKE A PLAN**
2. **DETERMINE A SHORT-TERM AND LONG-TERM FUNDING STRATEGY**
3. **PROTECT TRANSPORTATION REVENUES**

businesses have located over the past 20 years in correlation to where these investments were made it is apparent that the vision was successful. Wisconsin must do this again but on a much grander scale. It needs to determine how the entire network of roads, rail, high speed rail, ports, transit and airports fits into an overall strategic plan for increasing Wisconsin's competitiveness.

Wisconsin's proximity to Chicago and the Twin Cities is a tremendous advantage that needs to be factored into this analysis.

Second, both a short-term and a long-term funding strategy must be implemented to make that vision a reality. The short-term strategy will most likely need to take advantage of existing funding sources while beginning the process of transferring to future funding mechanisms. The long-term funding strategy should adhere to the same principles Wisconsin and the U.S. have adhered to for over 50 years: a user fee system that accurately assesses users of the system. The gas tax was such a system, but due to the changes discussed

in this report is no longer sustainable as the primary mechanism. There will need to be a mixture of funding mechanisms. The options that are currently on the table for states are: open road tolling, charging for vehicle miles traveled (VMT), weight-or value-based registration fees, Transportation Improvement Districts (TID), applying the sales tax to gasoline, congestion pricing and public-private partnerships (PPP's).

Finally, there must be credible assurances made that these user fees will be used solely to accomplish the strategic transportation plan for the state. The current crisis of confidence that exists with the public in this regard makes moving forward on the first two points exceedingly difficult. Perhaps the strongest assurance that could be provided would be to amend the state constitution to require transportation user fees be utilized only for transportation.

In a time of economic uncertainty, the politically expedient thing to do may be to sit tight, to continue to defer projects and let Wisconsin's infrastructure deteriorate – waiting until the economy improves. This would be a monumental mistake. Studies demonstrate that access to transportation services is one of the most important, if not the most important, factors used by executives to choose site locations. This was evident in a *Chicago Tribune* interview earlier this year in which MillerCoors President Tom Long explained the top reasons why MillerCoors chose to locate its corporate headquarters in Chicago rather than Milwaukee or Denver were due to “access to an attractive base of talent, transportation and business resources.”

Decisive action to provide a new vision for Wisconsin's transportation network carries the potential to not only stimulate Wisconsin's economy but to gain a competitive advantage over other regions of the country, attract new businesses and increase Wisconsin's per capita personal income. The result would not be a draw on the pocketbooks of Wisconsinites but a boon that will help increase tax revenues without increasing taxes and improve the overall quality of life for all its citizens.

22ND ANNUAL CORPORATE Survey SITE SELECTION FACTORS

1. Highway accessibility
2. Labor Costs
3. Energy availability and costs
4. Availability of skilled labor
5. Occupancy or construction costs

Source: AreaDevelopment.com



The Transportation Development Association of Wisconsin is a statewide nonprofit organization working to promote understanding of the crucial role that a safe, efficient and reliable transportation system plays both in providing mobility for the people of Wisconsin and in driving the growth of our state's economy. Now in its fourth decade, TDA represents the interests of more than 400 member organizations working to ensure the vitality of our state's transportation network.

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9 Fast Facts

General Funding

- The federal gas tax is 18.4 cents per gallon.
- The state gas tax is 30.9 cents per gallon.
- An additional two cents per gallon goes to PECFA (Petroleum Environmental Cleanup Fund Act).
- Wisconsin's annual registration fee for an automobile is \$75.
- Wisconsin's transportation fund consists of revenue largely from: the federal government (federal gas taxes), the state gas tax and state vehicle registration fees. These revenues fund all modes of transportation, as well as the Division of Motor Vehicles and the State Patrol.

Airports

- A total of 723 aircraft landing areas exist in the state including 132 public-use commercial and general aviation airports and 415 private-use airports.
- Wisconsin airports and their associated activities are assets to the communities that they serve generating each year almost \$3 billion in economic activity and \$1.1 billion in personal income from more than 41,000 jobs.

Ports

- Wisconsin has 15 commercial ports and each year these ports handle more than 40 million tons of cargo valued at over \$7 billion.
- Wisconsin ports provide an important transportation alternative that many states cannot offer and generate over \$1 billion in economic activity which supports over 11,000 jobs.

Rail

- Wisconsin is served by 12 railroads including four major (Class I) railroads.
- Wisconsin's freight railroads each year move more than 150 million tons of cargo valued at over \$4 billion.

Roads

- Wisconsin has 112,262 miles of public roads in the state. About 100,000 miles or 89% of those are local roads. The state highway system includes 750 miles of interstate freeways and 11,010 miles of state and US-marked highways.
- Between 1990 -2001, 88% of all new and expanded manufacturing facilities chose to locate within five miles of a "Corridors 2020" highway.
- A 2003 study by Cambridge Systematics, Inc. concluded that Wisconsin receives \$3 in return for every additional \$1 invested in Wisconsin's highways.

Transit

- Over 73 million people utilized Wisconsin transit systems last year.
- A study by the American Public Transportation Association (APTA) found that people in households close to a bus or rail line drive an average of 4,400 fewer miles annually as compared to persons in similar households with no access to public transit.

10 Notes & References

¹ Wisconsin Joint Legislative Committee on Transportation Needs and Finance, *Final Report*, 2006.

² Wisconsin Legislative Fiscal Bureau, *2007-09 Comparative Summary of Budget Recommendations (Act 20)*, 2008.

³ Wisconsin Legislative Fiscal Bureau, Memo to Representative Gottlieb: Updated information on Road to the Future Committee Estimated Transportation Needs, March 24, 2008.

⁴ Wisconsin Department of Transportation, Transportation Fact Sheet: How does Wisconsin's transportation funding compare to other states?, www.dot.wisconsin.gov.

⁵ AAA Wisconsin, 2007 survey of members.

⁶ Demographic Services Center, Division of Intergovernmental Relations and Wisconsin Department of Administration, *Wisconsin Population 2030*, 2004.

⁷ American Association of State Highway and Transportation Officials, *Transportation: Invest in our Future*, 2007.

⁸ TRIP, *Keep Both Hands on the Wheel: Metro Areas with the Roughest Rides and Strategies Make our Roads Smoother*, 2008.

⁹ University of Wisconsin-Milwaukee Center for Economic Development, *Out of Service: The Impact of Transit Cuts on Access to Jobs in Metropolitan Milwaukee*, 2008.

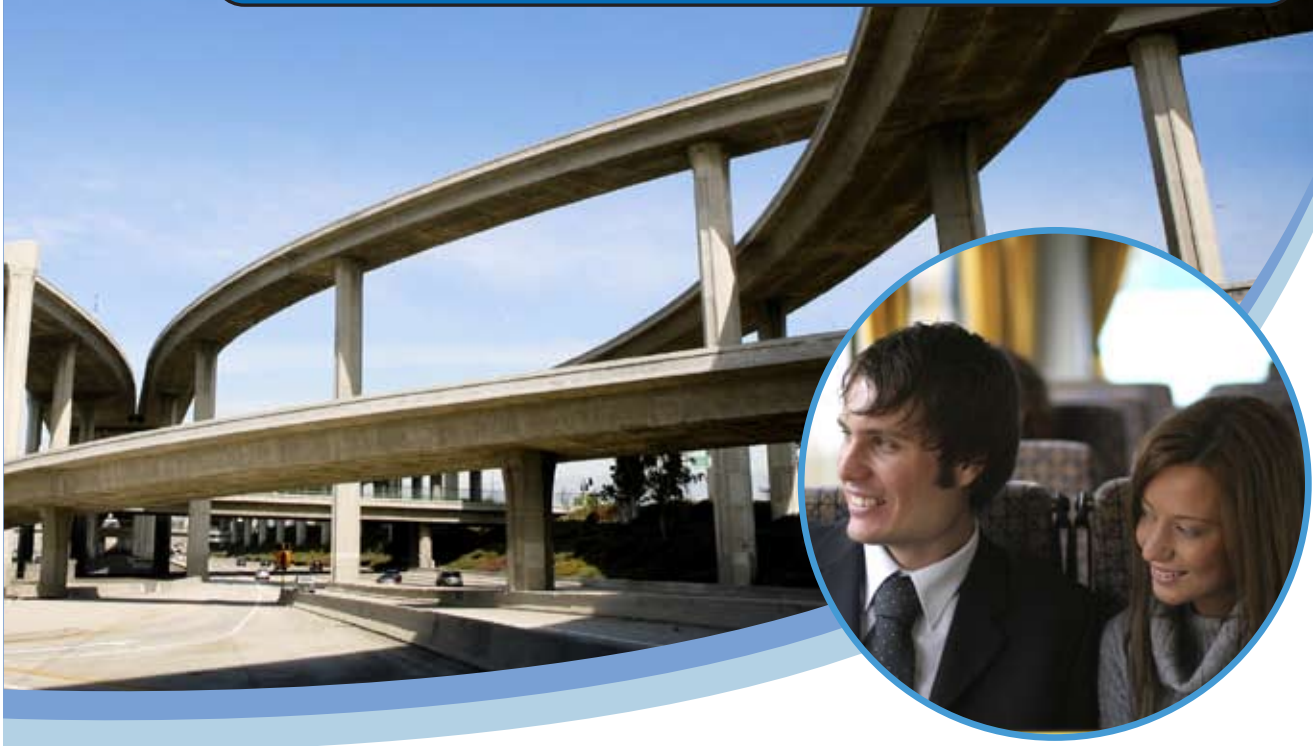


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What will Wisconsin's transportation system look like in the future? Will we be able to enjoy the benefits of convenient rail service, safe bridges, smooth roads? And where will we get the funding for the needed upgrades to our current infrastructure...and for all the improvements we'd like to make in the future?

Our Future Rides On It is a policy forum presented by the Transportation Development Association of Wisconsin to discuss the challenges facing Wisconsin transportation funding – and, most importantly, to explore solutions.