

## Count on Concrete Pavement Workshop

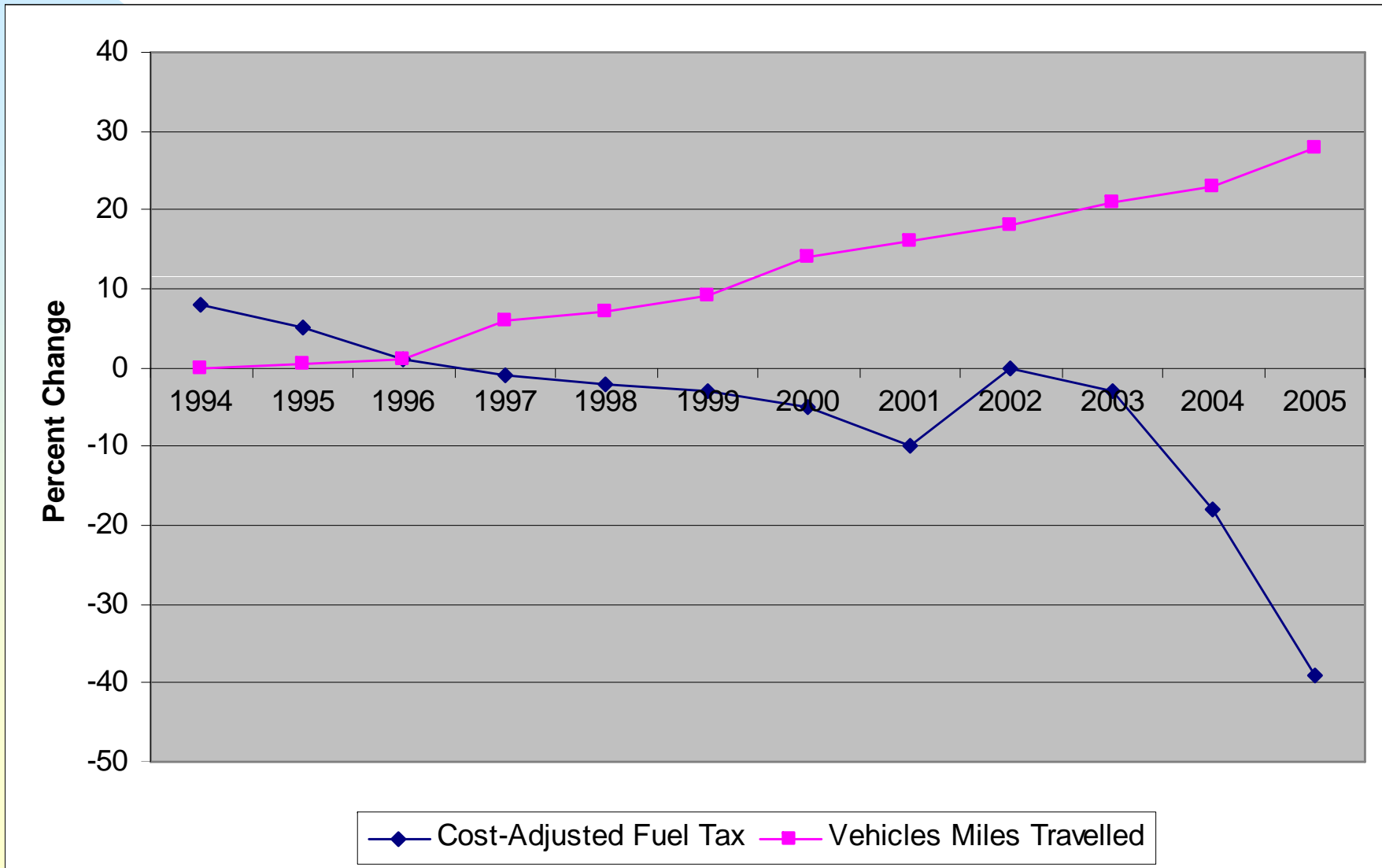
January 21, 2009

**Sustainable Funding** is Critical to Maintaining the investment in our infrastructure and managing congestion on the transportation network.

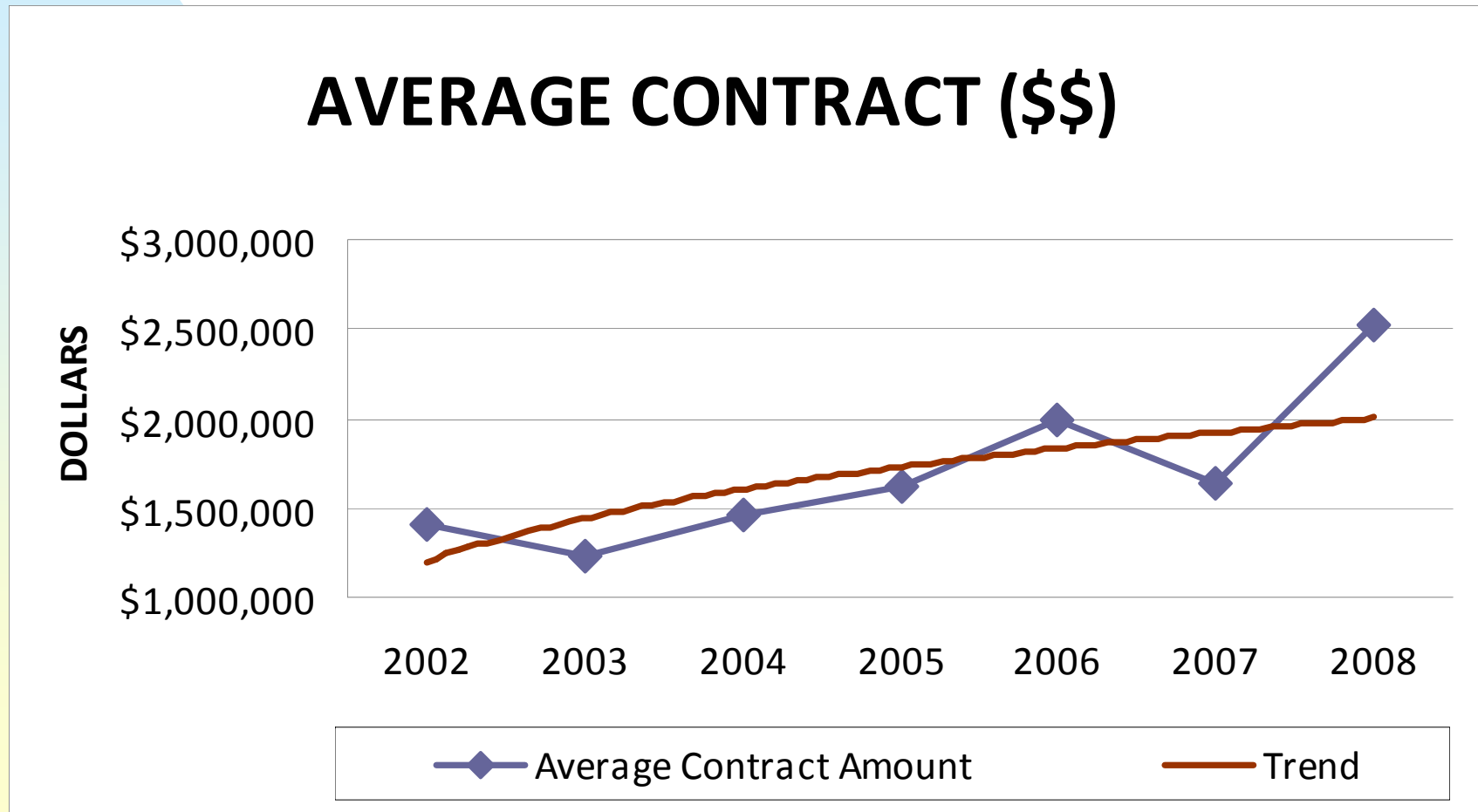
- *Erosion of the Highway Trust Fund*
  - ◆ A September 2008 infusion of \$8B temporarily stabilized the HTF. Will face again in fall 2009
  
- *Gas/diesel revenue trending downward as VMT declines*
  - ◆ 3.3% decrease in traffic statewide over last 10 months
  - ◆ Since 2003, construction materials have increased by 43%, more than triple the CPI of 12.9%

# Reduced Buying Power of the Transportation Dollar

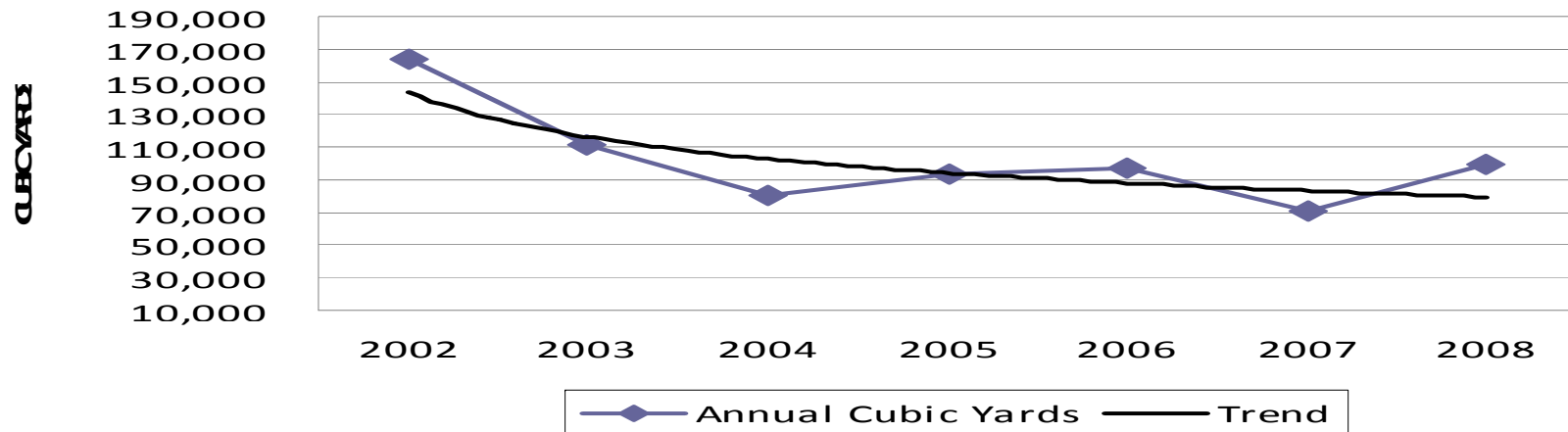
Source: Caltrans



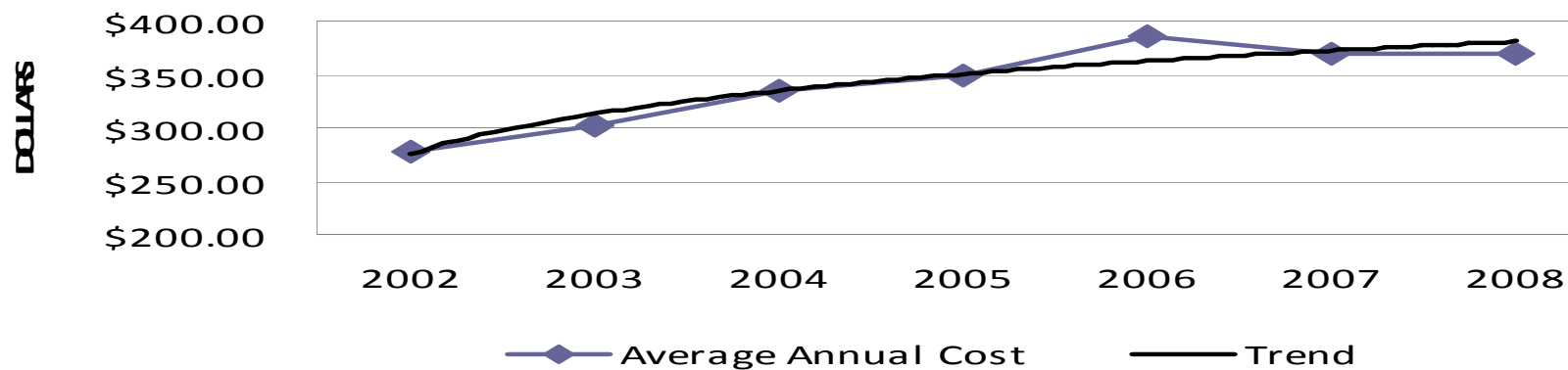
Average Contract size has risen by approximately 65% since 2002



## STRUCTURAL CONCRETE



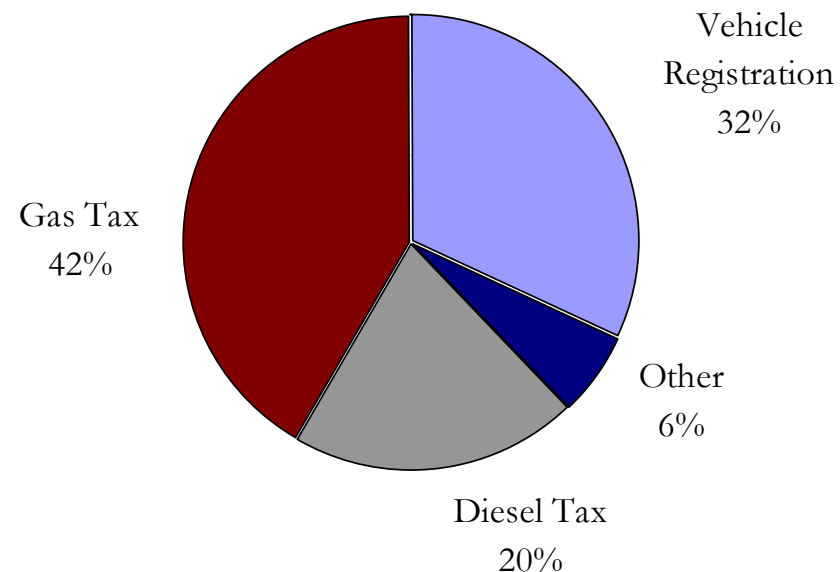
## STRUCTURAL CONCRETE (\$/C.Y.)



# Current State Transportation Revenue System

- Tennessee currently utilizes a pay-as-you-go system for transportation, and has not used debt financing to achieve transportation goals
- Gas and motor fuel tax has provided the majority of state transportation funds
  - ◆ Gas tax is currently 21.4 cents (12.7 goes to TDOT)
  - ◆ Motor fuel tax is currently 18.4 cents
- Tennessee's state transportation system receives 60% of the gas and 71% of motor fuel taxes

**TDOT Revenue Sources (2007-2008)**



In 2005, TDOT's revenue sources were anticipated to yield \$69 billion over the next 25 years, while the transportation plan amounts to \$85 billion. Thus, leaving a funding gap of \$16 billion.

# Transportation Funding Study Committee

## HJR 909

- Study the various sources of federal & state revenue
- Investigate ways & means to enhance the existing sources of revenue
- Identify potential new sources of revenue

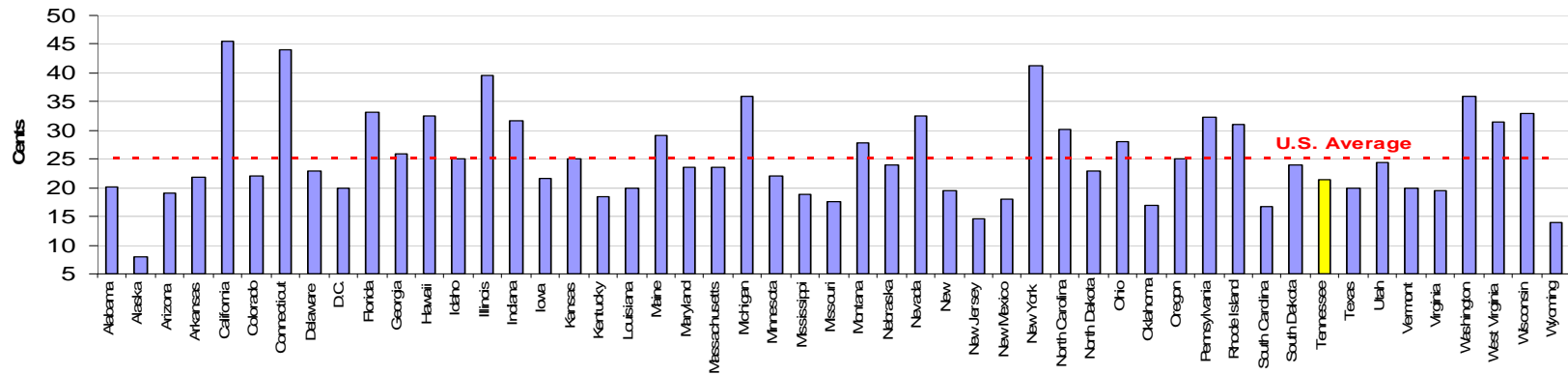
## Economic Recovery Act of 2009

- \$30 Billion nationwide for Highways
- \$617± million for Tennessee
- 50% must be Awarded in 120 days
- Other 50% Awarded by August 1, 2010
- Use it or Lose it Provision
- Opportunity to access others unused funds

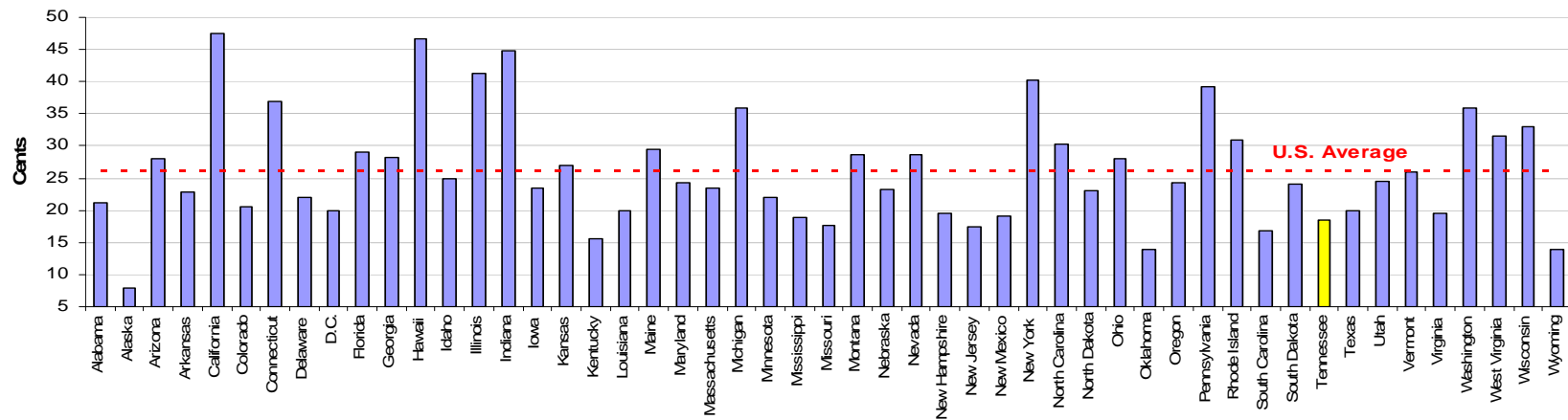
**Not yet passed**

# Where Do Other States Stand?: Gasoline Tax (2008)

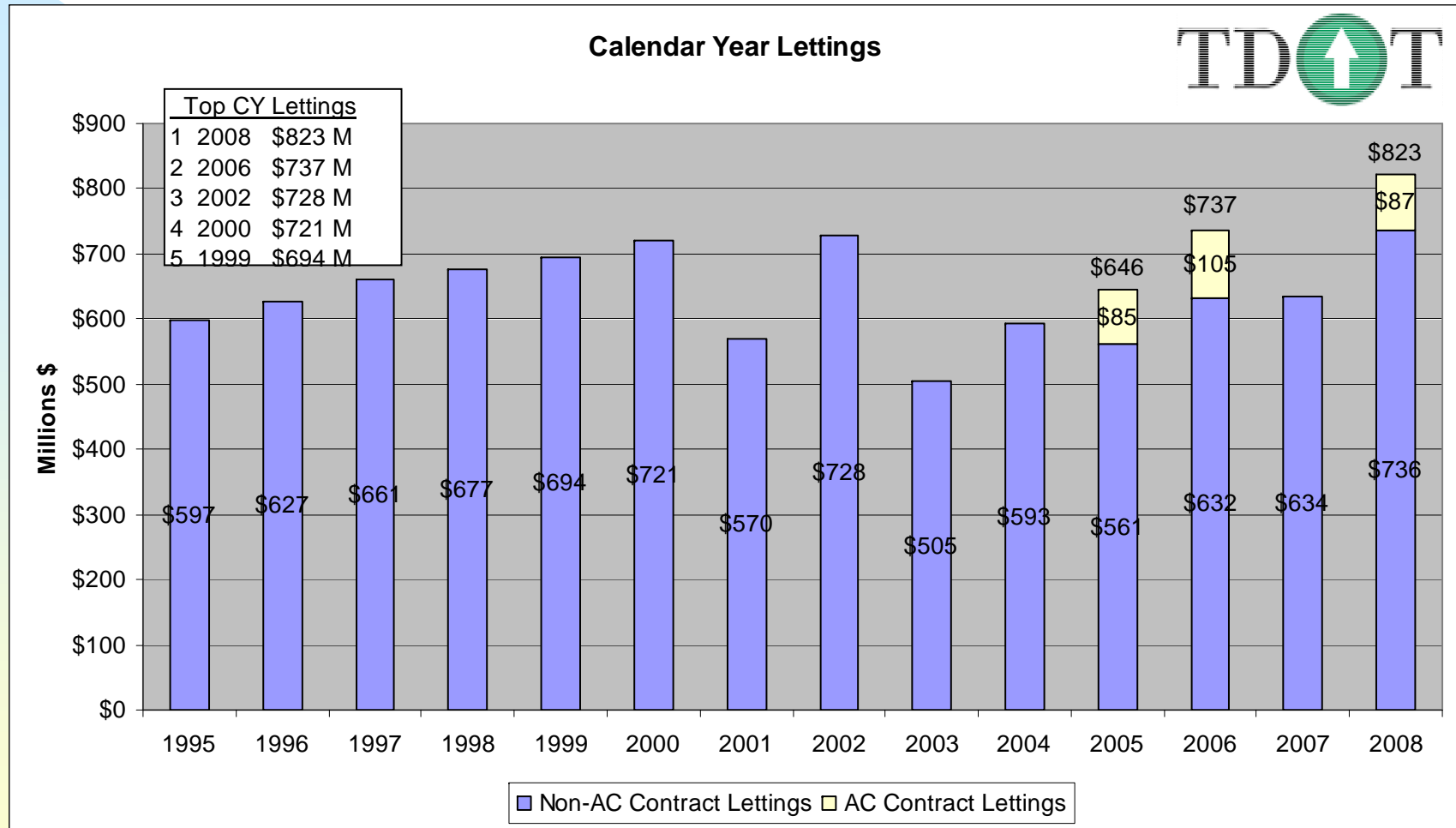
### State Gasoline Tax



### State Diesel Tax



# Calendar Year 2008 \$823,161,396.68 in Contract Awards



*Stretch resources*

*Maximize useful life*

Preserve the system

Utilize New Technologies

Enhance Competition

# Questions?

