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Governmental Services Committee Report
Florida Transportation System

SUMMARY

Transportation is one of the most important governmental services provided by the State of Florida today. Without effective transportation, none of Florida's most successful industries would be able to function properly. "Florida has a transportation-based economy. Without transportation, there would be no way to support economic engines like: tourism, agriculture, and housing."[1]

The Florida Department of Transportation (FDOT) is responsible for the planning, design, construction, maintenance, and operation of all roads, bridges, and transportation systems within the state transportation network, as well as a substantial network of seaports, airports, railroads, and public transit. The FDOT is also accountable for local systems (such as bridges and public transit) and for interfacing with local government on growth management or local transportation system issues.[2]

The mission of the FDOT is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.[3]

BACKGROUND

Transportation in the State of Florida has a rich and distinguished history. Beginning with the endorsements of American business pioneers like Henry Flagler, Henry Plant, and John D. Rockefeller, Florida's transportation system was one of the premier attractions for those Americans who first moved to Florida.

Florida is a large state, both in terms of its physical size and its population base. Between 2006 and 2030, Florida's population is forecasted to grow by more than 8 million.[4] Florida is still on track to break the 20 million mark and become the third most populous state – surpassing New York – shortly after 2010.[5]

There are great variations in population density, from the state's major metropolitan areas to medium-sized emerging cities and rural communities.

[1] Presentation by Doug Callaway, Floridians for Better Transportation, Governmental Services Committee meeting, September 10, 2007.
[2] Organizational and Operational Review of FDOT, January 12, 2001.
[3] Ibid.
[4] Florida Demographic In-Depth Analysis, Amy Baker Presentation, Planning and Budgetary Processes Committee meeting, September 6, 2007.
[5] Ibid.

From a transportation perspective, these conditions often raise issues about equity and getting a "fair share" of the state's transportation resources. Collectively, these factors and conditions suggest that Florida's mobility needs will continue to be staggering for the foreseeable future.[6]

Florida's Transportation System

Florida's transportation system consists of 130 public aviation facilities (19 of which have scheduled commercial passenger service), 2,707 railway miles, 121,995 centerline miles[7] of public roads, 14 deepwater seaports, and 29 fixed-route transit systems.[8]

The State Highway System (SHS) consists of 12,067 centerline miles of road, 42,022 lane miles, and 6,381 bridges. The Strategic Intermodal System (SIS), composed of transportation corridors and facilities of statewide and inter-regional significance consists of 4,295 centerline miles of road.[9] The Florida Intrastate Highway System (FIHS), the statewide network of roads that provide for high-speed and high-volume traffic movements within the state, is being redefined to become the highway component of the SIS.[10]

The condition of the transportation infrastructure is closely linked with how well a particular region, or the state as a whole, prospers economically.[11] The continued growth of the state has outpaced projections and has placed significant pressure on the existing transportation system. As a result, congestion in metropolitan areas has increased, combined with the growing challenge of getting people to and from work.

The FDOT recognizes that both the SHS and the FIHS play vital roles in sustaining and expanding Florida's economy, and that a high quality, highly efficient transportation network is essential in order for Florida to remain competitive.[12]

Florida Department of Transportation

The FDOT is headed by a Secretary, who is appointed by the Governor and supported by three Assistant Secretaries, eight District Secretaries, and 7,548 full-time employee positions.[13] The Florida Transportation Commission, composed of nine commissioners appointed by the Governor and confirmed by the Florida Senate for a four-year term, serves as a

[6] Evaluation of Aggregate Materials in Florida's Future – Final Report, Florida Department of Transportation/Lampl Herbert Consultants, March 12, 2007.

[7] Centerline Miles are calculated by measuring down the center of all lanes of traffic for each specified route.

[8] OPPAGA Florida Government Accountability Report, *Department of Transportation*, September 5, 2007.

[9] Evaluation of Aggregate Materials in Florida's Future – Final Report, Florida Department of Transportation/Lampl Herbert Consultants, March 12, 2007.

[10] OPPAGA Florida Government Accountability Report, *Department of Transportation*, September 5, 2007.

[11] Organizational and Operational Review of FDOT, January 12, 2001.

[12] Ibid.

[13] Presentation by Kevin Thibault, FDOT Assistant Secretary, Governmental Services Committee meeting, September 10, 2007.

citizen's oversight board for the FDOT.[14]

The FDOT is organized into the Central Office and eight District Offices. The Central Office in Tallahassee is responsible for policy, procedure, standards, training, and quality assurance functions, while FDOT's eight District Offices are responsible for planning, engineering, constructing, and maintaining the SHS with fundamental commitments to rail, aviation, seaports, and public transportation.[15]

The department operates with a strongly decentralized organizational structure – one that assigns significant responsibility and decision-making authority to its eight District Offices. Seventy percent of FDOT's total work force is assigned to one of its District Offices. Districts 1 through 7 are responsible for transportation planning, design, and operations for a particular geographic region of the state. District 8 – the Turnpike District – is responsible for similar functions associated with the Department's toll highway facilities.[16]

Each District Office is led by a District Secretary, who is supported by Directors in four key line-level offices – Administration, Planning, Production and Operations. Additionally, two staff-level offices, General Counsel and Public Information Officer, report to each District Secretary.

Metropolitan Planning Organizations

Federal statutes require that urbanized areas throughout the United States establish Metropolitan Planning Organizations (MPOs) to assume responsibility for developing long and short-range plans for implementing transportation investments in the region. MPOs in Florida are represented by a board of between five and nineteen local elected officials from within a Metropolitan Planning Area, who jointly evaluate and select the area's surface transportation project priorities.[17]

Projects proposed by local government agency members of the MPO, as well as regional improvements endorsed and funded by FDOT, are reviewed for inclusion in the region's Transportation Improvement Program (TIP). Projects must be included in the MPO Long Range Plan and TIP to receive federal-aid funding.[18] Under authority delegated to the department by the Governor, FDOT evaluates each MPO's TIP (or periodic TIP amendment) to determine whether projects are:

- Compliant with air quality conformity standards (for air quality non-attainment or non-attainment maintenance regions);
- Conform to state or federal policy or funding eligibility requirements; and/or
- Fiscally-constrained with respect to available funding.[19]

[14] Presentation by Kevin Thibault, FDOT Assistant Secretary, Governmental Services Committee meeting, September 10, 2007.
[15] Ibid.
[16] Ibid.
[17] Ibid.
[18] Manual for Using Public-Private Partnerships on Highway Projects – USDOT – Federal Highway Administrator 2005.
[19] Organizational and Operational Review of FDOT, January 12, 2001.

Once approved by FDOT, projects from each MPO's TIP are incorporated in Florida's State Transportation Improvement Program.

At times, FDOT may propose to fund transportation improvements that the local MPO opposes. For example, the department may wish to widen an existing highway to improve regional mobility for personal, business, or commercial travel, or to accommodate emergency evacuation. Like any project sponsor, FDOT is encouraged to work with an MPO or group of MPOs to convince local officials of the project's merits. However, the MPO has the ultimate discretion, as defined in federal regulation, to decide whether to include the project in its TIP – even if the improvement would be programmed entirely with DOT-attributable federal funds.[20]

The challenge to advance regionally-significant transportation projects in Florida may sometimes be complicated further by the sheer number of MPOs that FDOT must accommodate – particularly when numerous MPOs comprise a single metropolitan area.[21]

Local Governments

FDOT works in cooperation with local governments in constructing and maintaining county roads and city streets through regional MPOs Local governments make proposals through their regional MPOs, who then may submit the city or county proposals to their FDOT regional District Secretaries. Next, the local government's proposal may be advanced to the Central Office in Tallahassee where it may be included in the 5-year work program.

Since transportation funding decisions are made largely at the state and metropolitan levels, and land development and infrastructure decisions are made almost exclusively at the local government level, coordination between FDOT, MPOs, and local government planning agencies is critical to effective transportation and land use planning.

Road Construction/Aggregate Supply

The State of Florida is the third largest consumer of crushed rock products in the United States. The Florida road-building and construction industries are expected to consume 143 million short tons of crushed stone in 2007.[22]

Forty-two million tons of rock will go to construction of roads, bridges, runways, and other infrastructure, making FDOT the largest single contractor/user of crushed stone resources in the state. If projections hold, construction of new homes and buildings may require 86 million tons of crushed stone, with nearly half of those materials being used to meet the housing needs of a rapidly expanding population.[23]

Limestone and sand mined for aggregate materials are found in relatively small resource areas in deposits defined by geologic conditions. High quality deposits of limestone are "place based" in the sense that consumers cannot choose where these deposits are found,

[20] Ibid.
[21] Ibid.
[22] Evaluation of Aggregate Materials in Florida's Future – Final Report, Florida Department of Transportation/Lampl Herbert Consultants, March 12, 2007.
[23] Ibid.

but to a large measure land use planners can choose where land development occurs. Due to increased development near natural resource deposits in Florida, the state's mining industry is increasingly constrained by surface development.[24]

Florida's construction industry consumes an estimated 143 million tons of aggregate materials each year.[25] Approximately, 120 million tons are produced from mines in the state, 8 million tons are imported from U.S. domestic sources, and 5 million tons are imported internationally.[26] Florida has been highly successful in recycling and is able to re-use ten million tons of materials each year.

The Miami Limestone Formation, found along the southeast coast in the Lake Belt Region of Miami-Dade County, is the hardest and most durable geologic formation available in the state. Approximately 55 million tons of rock from this area are processed into aggregate products each year and provide the main supply source for the entire construction industry.[27]

There are five "mega-mines" in the Lake Belt that provide the majority of this material. These mega-mines are among the top ten in production in the country, with the first and second ranked mines located in the Lake Belt.[28]

However, there are problems on the horizon in the aggregate supply chain. Existing mining permits have been challenged in the Lake Belt.[29] The output from sources around the state continues, but the quality is declining for many engineering purposes, and Florida limestone formations outside the Lake Belt are generally not as high in quality.[30]

Both large and small land developments are over-running the lands where limestone and sand deposits are found. Local land use decisions fueled by homeowner and neighbor complaints have made planning and permitting for new mines extremely costly or even impossible. Expansion of existing mines is impossible in some areas because the reserve lands have been hemmed in by development. For example, the mega-mine complex in Lee County has seven years of remaining capacity, and when it closes, the aggregates that it supplies to all of southwest Florida will need to be trucked in from other locations at a much higher price.[31]

Strategic Intermodal System

Florida's SIS was established in 2003 to enhance Florida's economic competitiveness by focusing limited state resources on those transportation facilities that are critical to Florida's economy and quality of life. The SIS Plan, which was adopted in January 2005, provides policy direction for implementing the SIS and serves as the

[24] Ibid.
[25] Ibid.
[26] Ibid.
[27] Ibid.
[28] http://www.dot.state.fl.us/statematerialsoffice/administration/resources/library/issues-trends/lakebelt.htm.

[29] *Sierra Club v Flowers*, No. 03-23427-CIV, Ruling (S.D. Fla., July 13, 2007)
[30] Ibid.
[31] Ibid.

foundation for a new way of planning and managing Florida's transportation system.[32] The department developed the SIS Multi-Modal Unfunded Needs Plan in 2006 to identify the major transportation capacity improvement needs for the SIS through 2030.[33]

METHODOLOGY

The Governmental Services Committee meeting held on September 10, 2007 served as a primary source of data collection used in creating this report.

The committee heard presentations from a panel of experts, including the Assistant Secretary of FDOT, Kevin Thibault; Director of Financial Management, Marcia Johnson; former Secretary of FDOT and current Director of Miami International Airport, Jose Abreu; Executive Director of the Florida Public Transportation Association, Wes Watson; President of the Florida Transportation Builders Association, Bob Burleson; Director of Floridians for Better Transportation, Doug Callaway; representative of the Center for Urban Transportation Research Institute at the University of South Florida, Joel Volinski; and Executive Director of the Sarasota/Manatee Metropolitan Planning Organization and representative of the MPO Advisory Council, Michael Howe.

Other reports and studies used in preparing committee report were: Organizational and Operational Review of FDOT, published January 12, 2001; Florida Demographic In-Depth Analysis, Amy Baker Presentation to the Planning and Budgetary Processes Committee meeting on September 6, 2007; Evaluation of Aggregate Materials in Florida's Future – Final Report, Florida Department of Transportation by Lampl Herbert Consultants, March 12, 2007; OPPAGA Florida Government Accountability Report, *Department of Transportation*, published September 5, 2007; Manual for Using Public-Private Partnerships on Highway Projects – USDOT Federal Highway Administrator 2005; Macroeconomic Impacts of the Florida Department of Transportation Work Program – FDOT, published Feb. 2003; Florida Department of Transportation's Report on Strategic Intermodal Strategies; University of South Florida's Center for Urban Transportation Research (CUTR); and 2007 Florida Tax Handbook, Motor fuel taxes.

Meeting minutes, audio recordings, presentations, and documents presented to the committee are available on the web at www.floridatbrc.org.

FINDINGS

Florida Department of Transportation

During a presentation to the Governmental Services Committee on September 10, 2007, FDOT Assistant Secretary, Kevin Thibault gave a brief overview of the department's role and identified some of the customers and partners of the department, including: the traveling public, freight shippers, MPOs, local governments, the U.S. Department of Transportation, state/federal regulatory agencies, statewide modal partners (aviation,

[32] http://www.dot.state.fl.us/planning/SIS/strategicplan/default.htm.
[33] Ibid.

seaports, rail, and transit), expressway authorities, and bridge authorities.[34]

FDOT has recently examined the macro-economic impacts of transportation investments in its 5-year work program.[35] Over the next 25 years, FDOT work program investments are expected to produce over $147 billion in user and economic benefits for the State of Florida and its residents compared to the actual cost of $26 billion.[36]

Every dollar invested in the 5-year work program generates approximately $5.60 in benefits. Aviation spending generates even more profit, with every dollar invested by the State of Florida in aviation generating $300 in user benefits. Most of the revenue is generated by the gas tax. There are approximately 18 cents per gallon in federal gas tax, 17 cents per gallon in state gas tax, and various local gas taxes that can be as much as 11 cents per gallon. Altogether, approximately 50 cents per gallon goes into gas taxes, making it the engine behind transportation funding.[37]

The State of Florida uses tolls, growth management funding, and aid from the federal government as funding sources for FDOT. Mr. Thibault identified safety as the top priority for all state investment programs. Other state priorities include meeting all system preservation and maintenance objectives and management of the transportation system's capacity. [38]

Mr. Thibault listed both short and long-term financing options for the State of Florida in his presentation to the Governmental Services Committee. He described the short-term options as including: "market price" tolls to enhance turnpike and other state toll facilities, new toll expressways, leveraging existing funding sources, and creating public/private partnerships to build new tolled expressways and lease existing toll facilities. His explanation of the long-term options included: open road tolling, tolling new lanes added to expressways, tolling existing lanes on current non-tolled expressways (requires a need to eliminate existing prohibition in law), changing the revenue collection system (for example, using vehicle-miles-traveled based fees), and addressing a future federal role.[39]

In his presentation to the Governmental Services Committee, former FDOT Secretary and current Director of Miami International Airport, Jose Abreu indicated that he had worked extensively in Washington D.C. on the Federal Transportation bill with the current Secretary of FDOT, Stephanie Kopelousos and Doug Callaway to ensure the State of Florida was given necessary funding. One of the major issues is that Florida is a donor state, and yet only receives 86 cents on the dollar in Federal funding. Florida should receive at least 95 percent and the next window of opportunity to pass a Federal Bill is 3 to 4 years. Mr. Abreu

[34] Presentation by Kevin Thibault, FDOT Assistant Secretary, Governmental Services Committee meeting, September 10, 2007.
[35] Macroeconomic Impacts of the Florida Department of Transportation Work Program – FDOT, Feb. 2003.
[36] Ibid.
[37] Ibid.
[38] Presentation by Kevin Thibault, FDOT Assistant Secretary, Governmental Services Committee meeting, September 10, 2007.
[39] Ibid.

recommended that Florida should begin working on these changes now.[40]

Mr. Abreu noted that 2006 marked the 50th anniversary of the United States Interstate system.[41] He indicated that nothing has affected the State of Florida's growth and development more than interstate roads. The Interstate Highway System, originally designed to connect major urbanized areas to other states, now acts more like a commuter road system. The 2000 census confirmed that one in five Floridians now commutes to work from one county to another. These statistics reveal the need for regional thinking in transportation.[42]

Strategic Intermodal System

Assistant Secretary Thibault stated that the SIS is a statewide system of high-priority transportation hubs, corridors, and connectors which focus on moving people and freight around the State of Florida, other states, and nations. In 2030, the SIS multi-modal unfunded needs plan will amount to $53.2 billion in 2006 dollars. Over $45 billion dollars for highways, $3.1 billion in aviation, and $4.5 billion in public transit is needed to fund SIS in 2030.[43]

Former Secretary Abreu added that as far as cargo is concerned, Miami International Airport (MIA) is the number one airport in the U.S. for international freight, and number three in the U.S. for total cargo. Ninety-five (95) percent of all cargo bound for Florida goes through MIA. That is why inter-modalism needs to be a priority for Florida in the future.[44]

The State of Florida developed the SIS to focus on where best to expend its resources. Florida's SIS is a transportation system that accomplishes the following:

- Is made up of statewide and regionally significant facilities and services. (strategic)
- Contains all forms of transportation for moving both people and goods, including linkages that provide for smooth and efficient transfers between modes and major facilities. (intermodal)
- Integrates individual facilities, services, forms of transportation (modes), and linkages into a single, integrated transportation network. (system)[45]

Florida's SIS was established in 2003 to enhance Florida's economic competitiveness by focusing limited state resources on those transportation facilities that are critical to Florida's economy and quality of life.[46] According to Mr. Abreu, counties, cities, and MPOs need to move away from the idea of a "donor system" that fosters

[40] Presentation by Jose Abreu, Director of Miami International Airport, Governmental Services Committee meeting, September 10, 2007.
[41] http://www.fhwa.dot.gov/interstate/homepage.cfm.
[42] Presentation by Jose Abreu, Director of Miami International Airport, Governmental Services Committee meeting, September 10, 2007.
[43] Presentation by Kevin Thibault, FDOT Assistant Secretary, Governmental Services Committee meeting, September 10, 2007.
[44] Presentation by Jose Abreu, Director of Miami International Airport, Governmental Services Committee meeting, September 10, 2007.
[45] http://www.dot.state.fl.us/planning/SIS/aboutsis.asp#background.
[46] Ibid.

local fiefdoms in favor of a statewide system.[47]

Public Transit

In a presentation before the Governmental Services Committee, Wes Watson, Executive Director of the Florida Public Transportation Association (FPTA) explained that he represents the 29 fixed route and para-transit agencies around the State of Florida.[48] He explained that the three main types of transit FPTA include: Bus, Rail, and Para-transit.

Transit costs are normally handled through local fees, but the Legislature passed a bill some years ago creating a fee for public transportation. However, Governor Bush vetoed the act. In addition to local user fees, FDOT is extremely helpful and supportive of transit groups. The University of South Florida's Center for Urban Transportation Research (CUTR) is also quite helpful and supportive of Public Transit and offers the FPTA a valuable resource.[49] The State of Florida's funding, in the form of block grants make up $65 million for operating costs for public transit programs.[50]

According to Mr. Watson, Florida public transit programs need "capital match" and dedicated sources of funding. Last year, FPTA attempted to get dedicated funding from a local retail sales tax, however, the measure was defeated by the Legislature. [51]

Future Transportation Needs

According to Floridians for Better Transportation's Doug Callaway, over the next ten years, Florida will need an additional $23 billion just to keep transportation the way it is today.[52] Florida's explosive population growth will create some difficult problems in the near future. According to Mr. Callaway, 1,100 new residents move to Florida every day.[53]

During his presentation at the Governmental Services Committee meeting, Mr. Callaway identified four strategies which Floridians for Better Transportation supports and recommends to the State of Florida:

1. Protect Existing Transportation Funding Sources
    a. State Transportation Trust Fund (STTF) and the new monies from the 2005 Growth Management Plan - $542 million annually.
    b. When the economy is slowing, don't apply the brakes.
    c. The first casualty of a revenue downturn should not be safety.
    d. Don't pull the plug on smart growth management.
2. Provide more money for Transportation improvements

[47] Presentation by Jose Abreu, Director of Miami International Airport, Governmental Services Committee meeting, September 10, 2007.
[48] Presentation by Wes Watson, Executive Director of FPTA, Governmental Services Committee meeting, September 10, 2007.
[49] http://www.cutr.usf.edu/index2.htm.
[50] Presentation by Wes Watson, Executive Director of FPTA, Governmental Services Committee meeting, September 10, 2007.
[51] Ibid.
[52] Presentation by Doug Callaway, Floridians for Better Transportation, Governmental Services Committee meeting, September 10, 2007.
[53] Ibid.

    a. Use technology to move away from a gas tax and towards a distance-based user fee (Portland, Oregon Pilot Program).
    b. P3s (Public, Press, and Politicians).
    c. Electronic Tolling.
    d. Managed Lanes (Rapid Bus Transit).
    e. Truck Tollways.
3. Move ahead quickly on new transportation corridors
    a. New corridors paid by tolls – not "robbing Peter to pay Paul."
    b. New corridors help provide congestion relief to existing routes.
4. Empower Local Governments to do more for Transportation.
    a. Local "option" rental car surcharge.
    b. Index Local option gas tax.
    c. Index Motor Vehicle fees.[54]

The President of the Florida Transportation Builders Association (FTBA), Bob Burleson delivered a presentation to the Governmental Services Committee on September 10, 2007, as well. He explained that the FTBA is the primary industry group representing Florida's road and bridge contractors. Florida's contracting industry has worked with FDOT to address cost increases and attempt to mitigate their impact on the work program. [55]

According to Mr. Burleson, in terms of overall price considerations, aside from the rock issue, prices are now a little more stable in Florida. Of late, the volume of work in the private market is down, pushing some additional contractors to participate in competition for public transportation projects. Competition is greater now for local government work, and the labor market has been steadily improving.

Mr. Burleson listed several of FDOT's responses to market conditions that the FTBA supports:

- They have significantly improved their project estimates, which is by far the best thing FDOT has done.
- Utilizing "bid options" for what they need versus what they want.
- Looking at reducing night work where possible.
- Extending night working hours where possible.
- Not always trying to see how large they can make an individual contract.
- Working with industry to develop long-term solutions to the aggregate issue.
- Trying to improve rail and port infrastructure to increase capacity.
- Assessing risk assumption.[56]

Road Construction Cost Increases and Aggregate Supply

Recent transportation cost increases have affected all levels of government and the private sector. Increases have led to project delays and deferrals in the work

[54] Ibid.

[55] Presentation by Bob Burleson, FTBA President, Governmental Services Committee meeting, September 10, 2007.

[56] Ibid.

program and local capital improvement plans.[57]

Some of the factors which Mr. Thibault indicated as considerations of the cost increases are: population and economic growth, global competition for materials, rising energy costs, hurricane damage, labor shortages, and a lack of aggregate supply. He pointed out that 40 to 50 percent of the aggregate affected by the recent court ruling requires new permitting.[58] The Army Corps of Engineers is scheduled to have the new permits ready by the end of the year.[59]

FDOT has recently entered into a contract to purchase 300,000 tons of new source material from Vulcan Materials.[60] This rock is coming from Mexico. FDOT has shown concern and acted to acquire this additional material supply of their own, but 300,000 tons is a drop in the bucket for an FDOT market of 40 million tons. According to Mr. Burleson, contractors believe that the market will step up to supply rock as the need arises. He believes that the state's contract is of very little help and noted that by the time the contract was put into place, the price was higher than the open market price. That could change, however, with the recent court ruling.[61]

[57] Presentation by Kevin Thibault, FDOT Assistant Secretary, Governmental Services Committee meeting, September 10, 2007.
[58] *Sierra Club v Flowers*, No. 03-23427-CIV, Ruling (S.D. Fla., July 13, 2007)
[59] Presentation by Kevin Thibault, FDOT Assistant Secretary, Governmental Services Committee meeting, September 10, 2007.
[60] Presentation by Bob Burleson, FTBA President, Governmental Services Committee meeting, September 10, 2007.
[61] Presentation by Jose Abreu, Director of Miami International Airport, Governmental Services Committee meeting, September 10, 2007.

Metropolitan Planning Organizations

Michael Howe, Executive Director of the Sarasota/Manatee Metropolitan Planning Organization and representative of the MPO Advisory Council, appeared before the Governmental Services Committee and explained that the Sarasota/Manatee MPO is one of 26 MPOs in the State of Florida. According to Mr. Howe, in 2005, Sarasota had over $20 billion in needs and had only $2 billion to spend.[62]

On the state level, cost escalation, needs due to growth, and the strategic intermodal program are all taking funds from local projects to support the strategic intermodal system. Other state roads (non-SIS) are getting only 25 percent of 50 percent of the pot. Local projects were given 50 percent only a few short years ago. Given the current funding issues, it will take 70 years to do the work that is on the board today.[63]
Mr. Howe recommended the establishment of a Transportation Revenue Study Commission to address the disparities in these funding issues, and suggested the commission be staffed by the Center for Urban Transportation Research (CUTR).

Vehicle Miles Traveled (VMT)

The newer automobiles and cleaner technologies (hybrids, ethanol, E-85, biodiesel, etc.) which are becoming more and more popular will have a negative impact on fuel revenues. In fact, revenue estimates for 2007 – 2008

[62] Presentation by Michael Howe, Executive Director of the Sarasota/Manatee MPO, Governmental Services Committee meeting, September 10, 2007.
[63] Ibid.

show a slowing growth rate for fuel taxes. In 2006 – 2007, motor fuel taxes are estimated to grow by 8.92% while the growth rate is projected to slow to 4.74% in 2007-2008.[64] If this slowing effect continues, Florida will need to consider changing the model of utilizing the gas tax as the primary source of transportation funding. The State of Florida needs to start seriously exploring newer models and begin to move away from the gas tax.[65]

There are models that are based on user fees. Some models, such as GPS tracking for road use fees, are now being explored by the Federal DOT and other states. This system works by allowing a GPS to track how far a vehicle travels and to bill the owner appropriately (using Vehicle Miles Traveled or VMT). For instance, if a driver leaves his home and travels 5 miles to Publix, the State of Florida will bill the owner of the car for only the 5 miles traveled (10 miles roundtrip). Doug Callaway discussed Oregon's pilot program with the VMT system. Mr. Callaway allowed that the VMT device would act very much like a GPS. The system would track each driver's miles traveled and bill the driver accordingly, much like a utility.[66]

Dr. Joel Volinski of the Center for Urban Transportation Research (CUTR) at the University of South Florida addressed the committee on the subject of VMT, as well. CUTR is a scholarly, nonbiased, and independent source of research information related to public transportation issues. Dr. Volinski and CUTR are often hired to perform studies on projects similar to the VMT pilot program in Oregon, and other policy related transportation research.[67] He agreed with the other speakers that a VMT system holds promise over time, but that there are serious privacy issues that must be overcome.[68]

In addition to remarks about the work of CUTR and the possible implementation of a VMT type solution to a changing tax environment for transportation, Dr. Volinski suggested that since the world and technology are moving so quickly, the Taxation and Budget Reform Commission should meet more often than every 20 years to address the rapid changes occurring in the State of Florida. [69]

RECOMMENDATIONS

The Governmental Services Committee, based on information received in public meetings, sponsored a proposal regarding Florida's Transportation System.

SR0036 – Statutory Recommendation relating to Transportation Funding (Reported Favorably out of the Governmental Services Committee and the Finance & Taxation Committee; Favorable by the Taxation & Budget Reform Commission, Transmittal Letter sent to the Legislature on March 28, 2008).

[64] 2007 Florida Tax Handbook, Motor fuel taxes, p. 89.
[65] Presentation by Jose Abreu, Director of Miami International Airport, Governmental Services Committee meeting, September 10, 2007.
[66] Presentation by Doug Callaway, Floridians for Better Transportation, Governmental Services Committee meeting, September 10, 2007.
[67] http://www.cutr.usf.edu/index2.htm.
[68] Presentation by Joel Volinski, CUTR representative, Governmental Services Committee meeting, September 10, 2007.
[69] Ibid.