



## ***NC Go! Annual Transportation Dinner***

November 1, 2006

Bill Carstarphen, chair

### ***The future of transportation in North Carolina: Addressing tomorrow's needs today***

Good evening. Thank you for joining us tonight for the 2006 *NC Go!* Annual Meeting and Transportation Dinner. I want to start by thanking all the members of the General Assembly who have joined us this evening, members of the Board of Transportation, representatives of the Department of Transportation and the NC Turnpike Authority.

I also want to thank all of our friends from chambers around the state and our partnering advocacy organizations who are here in support of improving transportation in North Carolina. And lastly, thank you to all our *NC Go!* members and their guests for demonstrating the strength and diversity of our organization and to our sponsors for making this evening possible.

While the 2006 hurricane season has been benign, our state is facing a perfect storm when it comes to our state's transportation infrastructure. NCDOT has recently revised the estimate of projected needs and available funding through the year 2030, and the forecast is grim. Over the next 25 years, we will see a \$65 billion shortfall in funding for vital transportation projects.

This includes new projects that will help our state deal with expected growth as well as maintenance that keeps our highways, bridges, ferries, rail and public transit safe, efficient and accessible

Worse, this figure has doubled since the past spring, when *NC Go!* went to the legislature and announced our "Fill the Gap" plan. The simple truth is our state is growing too fast for our existing funding mechanisms to keep pace.

Here are a few facts. North Carolina is the third-fastest growing state east of the Mississippi. And not only is the number of drivers in our state growing, but the number of miles we each drive is increasing – and increasing the burden on our roads. North Carolina maintains more lane miles than any state in the nation except Texas, yet we rank 47<sup>th</sup> in the dollars invested per lane mile. As our state tries to meet growing transportation needs, construction inflation has jumped more than 45% since 2003. On top of this, fluctuating fuel costs over the last year have increased frustration among consumers over the role of the motor fuels tax as part of the transportation funding equation.

Some people think that because the financial predictions look 25 years into the future the problem is a distant one. But trouble is already knocking on our door.

The American Society of Civil Engineers recently released a nationwide report card which looked at infrastructure across the U.S. and in each state. North Carolina did not make the grade. Our roads earned a D and our bridges a C minus. And what were some of the reasons ASCE scored N.C. so low in meeting its infrastructure needs? Our growing funding gap, the breadth of the system the state is responsible for maintaining; the manner in which our state funds its transportation system; and, the reduced federal contribution to transportation infrastructure.

These are not the kind of grades our state should be earning if we want to meet growth needs and attract the kind of economic opportunities that will help North Carolina flourish.

North Carolina used to be known as the "Good Roads State", but we are in danger of losing that recognition. Our state is a vacation destination for people all around our nation and tourism brings

in big dollars to the economy – we don't need to look further than our beaches during the summer or our mountains during the fall. Congested and unsafe roads are a sure way to put the brakes on tourism and the revenue it produces.

A safe, efficient transportation system also means jobs in our state. Our highways, bridges, airports, rails and ports deliver freight and keep commerce flowing. Our roads and transit systems get workers to the jobs they rely on - jobs which drive our economy. Deteriorating highways and bridges and congested traffic are not the way to spur economic growth and are not the qualities businesses look for in choosing a location. If we want to keep North Carolina moving forward, we have to address the growing crisis today.

*NC Go!* commissioned a poll in the late summer to look at a snapshot of public opinion in our state – focusing on Wake County. We asked 600 registered voters who are licensed drivers in the county about their knowledge of the transportation funding situation and funding options, and about the importance to them personally of sound transportation systems. There was high recognition of the inadequate funding for transportation in N.C. and most polled knew that our needs far outweigh the available dollars.

But the takeaway from the poll was the public's reluctance to accept any funding solution that might affect the individual wallet. That isn't surprising. People want more options, safer, quicker commutes, and they want to know future needs are being addressed – but they don't want to face the prospect of paying for it.

The fact is the money has got to come from somewhere because the system is broken. Our needs are far greater than our means, and every individual in this state who uses the transportation system will have to adjust to this new paradigm.

As I mentioned earlier, in the Spring *NC Go!* introduced to the legislature its plan for addressing the growing needs and shrinking budgets in our state. While we don't see any single piece of this plan as being a cure, we hope to begin the debate and spur action to tackle the problem. I won't go into all the details of the plan, but I want to quickly highlight a few of the main points of our "Fill the Gap" plan:

- Pass a \$1 Billion Bond - Jumpstart transportation and transit improvements and repair through legislative authority for a bond. Any infrastructure bond NC takes on must include funding for roads, bridges and transit.
- We call on the state to permanently end diversions from the Highway Trust Fund. In truth, this money represents a drop in the bucket of what is needed in our state, but the symbolic action is crucial. The public has lost confidence in the gas tax and the manner in which our state pays for transportation projects, and the diversion has been used too frequently as a political tool. Diversion must be stopped.
- Preserve the gas tax. Until we have a better alternative, the gas tax is essential to highway revenue. The majority of people we polled earlier support the gas tax, so long as it is used as intended – for transportation projects. We cannot afford to lose that revenue stream given the already grim financial forecast.
- Align our highway use fees with those in surrounding states. Our state maintains more lane miles than any of her neighbors, and we should strengthen the revenue coming into the state from those who use the roads.
- Allow flexibility for local options. Municipalities should have the freedom to seek local solutions to their unique local needs – whether through local option sales tax or tolling. If

residents of a given city or county want to come up with alternatives to pay for their transportation needs, they should have that option.

- Permit tolling of urban loops to speed completion of transportation projects. Again, *NC Go!* believes localities should have the flexibility to address local needs through necessary means. Our insistence is that the money raised from tolling be spent solely on transportation projects and that it be used locally.
- Begin to rethink transportation funding in general and consider all options. It is likely that part of the solution to our transportation funding crisis hasn't even been considered yet, and it is vital that we have open minds. We believe it is important to state clearly that we are in support of solutions because our mission is to support strengthening and improving our state's transportation system.

2007 will be a critical year for North Carolina. We have already seen how quickly the numbers can change in terms of the growing shortfall we face in transportation funding. We urge our elected officials to use their time in the 2007 session to explore meaningful solutions to this perfect storm we face about how we pay for our highways, bridges and all forms of transportation. This should not be a political issue, and we hope we can get past partisan division and begin addressing one of the most pressing issues our state has faced.

The debate over our growing transportation needs should be one of compromise and collaboration. The time has come to ignore party lines, stop using transportation as a political device, and do what's right for our state. Instead of calling one another names, our elected leaders should be calling one another neighbor.

If we expect our elected officials to step up to the plate, we will have to as well. That means providing the political support and cover to legislators who are willing to make the tough choices, introduce groundbreaking policy and cast a difficult vote – all in the interest of keeping N.C. on the path to success.

Safe, efficient and sound transportation options benefit our state's economy, our communities and our families and should be the goal of not only our elected officials, but of every transportation advocate in this room.

The people assembled in this room should be the leaders in calling for change. That means we all have a responsibility to be engaged and reach out to decision makers at all levels. We must not assume someone else will write the letter, pick up the phone, or visit our leaders here in Raleigh.

It starts with you. Carry this message to the businesses, associations and organizations you represent. If we want to fix the road our state is headed down, we should each strive to be a catalyst for change.

Once again, I want to thank each of you for spending this evening with our *NC Go!* family, and I challenge you to make our state's transportation infrastructure a priority in your business, community and personal interactions in 2007.