

Governor-Elect Kaine's
Transportation Town Hall Testimony
January 3, 2006

Governor Kaine, Secretary Homer, CTB board members. First, thank you, very much for returning to Northern Virginia for a second hearing. I arrived just as the first one in Manassas ended because I was stuck in traffic.

I've decided to come before you, not as a legislator, but as Governor Baliles' Secretary of Transportation and Public Safety because the details of history are important: "For want of a nail a shoe was lost, for want of a shoe a horse was lost, for want of a rider the battle was lost...the war was lost...the kingdom was lost." It is in that context, I cite the following quote from a recent University of Virginia news release:

"Recognized by colleagues for his emphasis on strategic planning and preparation, Baliles was known as Virginia's 'transportation governor'...and observers still credit him with both courage and foresight in that effort."

The elements of strategic planning that made the 1986 effort successful are as essential today as they were then. Here are the crucial details as I saw them:

Garnering Public Support – Governor Kaine, you start ahead on this one. You campaigned more directly on transportation than Baliles and making these community forums your first order of business conveys the proper sense of urgency. Personal outreach also will be critical, just as Governor Baliles and key administration officials did, to assure diverse interest groups – from teachers to seniors to the Farm Bureau – that their concerns would not be overwhelmed in his initial priority to meet Virginia's most pressing infrastructure need.

Fair Allocation – The 1986 Special Session was preceded by the 1985 General Assembly having totally changed the allocation of highway funds based on a 2-year detailed JLARC analysis of reported need. Losers in the re-allocation were anxious to have prior dollar amounts restored through increased tax revenue, while winners had the assurance that new as well as existing taxes would be fairly distributed. The Commission appointed to make recommendations to the Special Session was charged to affirm the validity of the 1985 highway allocation formula change, which it did while recommending percentages off the top for transit, ports and airports.

Governor Kaine, from my perspective as one of the core of legislators who got the 1985 formula revision passed, you start with far more valid documentation today on the distribution and costs of transportation needs throughout the Commonwealth than were used in the JLARC analysis. VDOT's on-time and on-budget reforms, the painful purging in 2002 of specific projects to bring the politically bloated 6-Year Plan in line with actual funding, and available needs analysis technology all provide sounder analysis tools than JLARC had. On the data input side, local government and planning district information is also far better and more comprehensive. This is particularly true in Northern Virginia, where the list of needs going into the 1980's JLARC study was hurriedly put together, as compared to data now driven by the Clean Air Act and the Northern Virginia 20-Year Plan Process. You have good data, Governor Kaine; your challenge is to appoint a credible team and process to review it and make recommendations.

Agreed Priorities – Unless legislators believe the taxes they must vote to raise will fund the needs they believe must be met, you won't have their vote. In this arena, the most difficult challenge you face is to maximize buy-in by as many stakeholders as possible and avoid individual horse-trading.

Project-specific transportation packages have fallen flat, under-cutting voter trust. Christmas trees are loaded down with projects: some so big that they can't be funded, others un-necessarily controversial because they have yet to be vetted through established public processes. Governor Baliles avoided this by staying with the most equitable formula allocation that was legislatively possible and then making sure people knew in every region how soon they would benefit from increased revenue in terms of all the big and small, long-awaited projects vetted through the 6-Year Plan. Citizen activists and local governments had confidence that they would not be trumped by legislative backroom deals. Indeed, I believe your commitment to tying land use decisions and transportation more closely together makes it all the more critical not to end-run public procedures.

Second, to the degree that data indicates the need to adjust the priorities of the current formula, you must actively engage stakeholders in determining how far the line between winners and losers can be pushed before everyone becomes a loser and all is defeated. The 2002 Northern Virginia referendum would have given an un-precedented share to transit, but it was opposed by transit advocates, at least in part because they were not consulted.

Third, even Northern Virginia legislators who've signed a no-tax pledge need to be aware that not to act is, in fact, acting to the advantage of the rest of the state, by significantly increasing the flow of transportation tax revenue out of Northern Virginia. Budget language has overridden the protection the 1986 Special Session passed to keep construction funds from being diverted to maintenance. Northern Virginia gets approximately 24% of state construction and transit funds but only 10% of maintenance funds.

VDOT's Role – Concerns about VDOT's ability and accountability are a given. Governor Baliles responded by appointing a new Commissioner his first day in office and by naming the first Northern Virginia Secretary of Transportation. He immediately dedicated funds to get plans ready for bid, if and when the legislature authorized substantial new revenue. The pre-Special Session Commission reviewed VDOT's capability. He set standards for improved performance.

Governor Kaine, do not drop the opportunity to benefit from the reforms under Commissioner Shucet. The glass is half-full and the public needs to know that. Continuing reform, yes. But no excuses for continued inaction because VDOT can't do the job. That's like telling a football team with 8 players on the field that they can't have 11 because they're missing too many blocks.

Adequate, Equitable Funding – Governor Baliles' leadership in funding was unequivocal. He told the Commission he wanted adequate funds. It was up to them to find the most equitable way to raise the revenue. He would support it. The only specific he mentioned was a constitutional change to pay-as-you-go, just as you, Governor Kaine have asked for constitutional protection of dedicated transportation funds.

The bi-partisan Commission, which had the active participation of all former Governors, recommended four tax increases to be dedicated to transportation. The General Assembly passed the following: increasing the gas tax to place in the top 10 in the nation, increasing the titling tax by 50%, increasing vehicle tags by \$3, and increasing the sales tax a half-cent. I have listed all of the increases not just to indicate the magnitude of the commitment...only one legislator who voted for the package was defeated...but to emphasize the balance of the revenue package.

Balance is essential both as rationale public policy and to create a sound basis for doing business. We were well-aware, as critics note now, that the gas tax has no inflationary growth. But we also knew the gas tax was critical to assuring all users pay for their infrastructure demands...non-Virginia residents and interstate truckers as well as residents. Resident drivers alone would be paying through the titling tax and license tags. But the titling tax as well as the sales tax would track inflation, while the sales tax would also pick-up tourist revenue.

Public-private initiatives, special tax districts, using toll revenues for corridor improvements, and authorizing local transportation taxes also were added during the Baliles' administration to further expand the balance of all beneficiaries sharing costs. However, because the basic funding was sound, these additional sources did not dictate priorities; they were engaged to achieve priorities.

Governor Kaine, when I looked up the quote I started with about "for want of a nail," one Google site noted it was "clever set of lyrics used to encourage children to apply logical progression to the consequences of their actions." May all of us elected officials have the "courage and foresight" to see the consequences of our actions, as clearly as all citizens in this region see the results of inaction in the stifling congestion that surrounds us.