

Transportation funding dominated the headlines this Session. Here's what's a stake:

(1) We have desperate needs. Northern Virginia is now ranked the most congested region in the nation. Our 40-year-old Metro system must have significant safety up-grades and needs 8-car trains to serve packed commuters. Road surfaces are breaking down from lack of maintenance and, again this spring, VDOT's reduced mowing in Fairfax will create health and safety hazards.

(2) Unfortunately, the only answer on the table was taking-on major state debt. The General Assembly authorized the Governor to sell \$1.8 billion in bonds before he leaves office. I backed a more prudent \$700 million one-year bond sale. This would have allowed Virginia to take advantage of current low interest rates and construction workers eager for jobs but, more importantly, would have given us the opportunity to re-examine market conditions next year.

(3) \$1.8 billion in debt is as major as its benefits are short-lived. These bonds are 25-year bonds. The \$1.8 billion will use up practically all of the revenue identified for repaying transportation debt. For every \$10 we borrow now, just \$1 will be left for 20 years of on-going needs.

(4) Every study confirms Virginia needs an additional \$1 billion **each and every** year well into the future to address unmet transportation needs. We haven't made any new investments since 1986.

(5) My bi-partisan\* bill to provide funding that is raised in Northern Virginia and stays in Northern Virginia and to meet statewide needs through a gas tax so that out-of-state drivers help pay for maintenance wasn't even heard in committee in the House. (\*Delegates May, Rust, and Albo decided not co-patron the bill this year to keep the focus on the Governor's plan for borrowing a total of \$4 billion through state and federal bonds and a state pool for private financing.)

(6) I'm always concerned about Northern Virginia getting its fair share in any state funding proposal. However, it's as important to look at where the money comes from as what we get back. Less than 1/3 of transportation revenue comes from NV, while almost 45% of General Fund revenue comes from NV income and sales taxes. Funding transportation from the General Fund is not a good deal for us – even before you consider the cuts to education and other services that result.

(7) Finally, the package ignores taking care of where people live. There is no money for secondary roads and the existing funding has all been taken for maintenance. In addition to using the \$1.8 billion in 25-year debt on a list of major projects from 2007 and borrowing \$1 billion from the federal government for 2 or 3 others, the package creates over \$80 million in low interest loans to bolster the financing of large private/public partnerships that can't attract adequate private equity financing.

Debt is not the answer. Revenue bill such as the one I've carried must be part of the solution.

I deeply appreciate your patience in reading this. It is complicated. But, I wanted to share with you what's going on. Look forward to hearing your thoughts and guidance. [vwatts@erols.com](mailto:vwatts@erols.com)