

COMMONWEALTH OF VIRGINIA
HOUSE OF DELEGATES
RICHMOND

VIVIAN E. WATTS
8717 MARY LEE LANE
ANNANDALE, VIRGINIA 22003
THIRTY-NINTH DISTRICT

COMMITTEE ASSIGNMENTS
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Governor's Commission on Transportation Policy
August 30, 1999 Public Hearing

My name is Vivian Watts and, although I returned to the House of Delegates, I speak to you as the former Virginia Secretary of Transportation and Public Safety. While my remarks may come off as intense at times, this reflects all the midnight oil I burned for four years out of a belief that we really could improve Virginia's major impediment to our quality of life and economic health. I do not intend to be political. I am trusting the facts will speak for themselves.

At the end of your last meeting, I was incredulous when the person presenting a history of Virginia's transportation policy declared that the sole agenda Governor Baliles had for his 1986 initiative was to permit borrowing and, as proof, the speaker said that his selection of commission members guaranteed that outcome. This serious mis-representation needs to be corrected to permit you to learn from history and fully consider all options as you shape your recommendations.

Governor Baliles' agenda was far more than making future generations pay for problems plaguing current users. He was committed to expediting construction. He not only demanded VDOT management changes throughout his four years to significantly reduce the average time per project and reduce costs per lane mile, but one of his first acts as Governor was to forge bi-partisan support for a gas tax change in his first regular General Assembly Session for funds to fast-track engineering and design work on projects that had been languishing. Because of this foresight, when the 1986 September Special Session passed significant funding increases, construction contracts were let immediately.

Governor Baliles did not pick a Commission to rubber-stamp one idea – unless as indicated it was ACTION. On the contrary, along with strong business and local government leaders, he not only recruited legislative leaders, more significantly he asked every former governor to serve. These men, who had grappled with transportation during their own administrations, actively attended meetings and debated openly in sub-committee. They and all the members of this commission made this kind of personal commitment because they knew they had the current Governor's pledge to support raising whatever sources of new revenue they recommended, at whatever level they were convinced was necessary to address the serious transportation needs of the Commonwealth.

Notice I did not say "solve" the transportation problem. The inability to "solve" a problem was not used as an excuse for doing nothing. We traveled throughout the Commonwealth prior to the Special Session and, in each of the nine highway districts, we were very specific about the number of years it would take to complete the projects on the district's 6-Year Plan with or without new funding. Not surprisingly, the Northern Virginia District had the furthest to go. We could only predict dropping the time to complete the 6-Year Plan from 28 years to 14 years.

As it turns out, all those predictions fell short because we had no reason to imagine that the next three governors would break with the stewardship of the governors before them in modern times – Republican and Democrat alike – who had raised the gasoline tax a penny or two to keep us even with our sister states. While it is currently only \$44 million per penny, if we had raised this user fee to stay competitive with Maryland, we would have had over \$1.3 billion more to spend on transportation needs in this decade.

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We need to look at what being competitive with Maryland instead is coming to mean: In 1998, for the first time in decades, Maryland's payroll growth surpassed Virginia's. Both states were led by their Washington area suburbs. On the Maryland side, improvements to the 270 corridor clearly demonstrate a quality location to prospective employers, while in contrast, Tyson's Corner workers have had to wait 5 years just to get 40 signal lights re-calibrated for time-of-day traffic flow. If we had been penny-wise with the gas tax, we would have the \$500 million to improve 150 Northern Virginia intersections...even install traffic-responsive signals...before a business like Teleglobe next time decide to move its 600 workers out of Virginia rather than take "30 minutes just to go three miles." Fairfax Journal 4/26/99 pg A1. It is worth noting, that during the comprehensive air/transit/highway/port transportation initiative of the late 1980's, Virginia's per capita growth was 10th highest in the nation. In contrast, last year, Virginia's payroll growth fell to 24th.

I will conclude with four specific recommendations from my years as Secretary.

- 1 The most important systemic change needed is prioritization of major primary and interstate projects across all highway districts and not just on a district by district basis. I know that this is politically difficult but the overall state's economy depends upon it. According an independent study released this month that rated highway projects based on congestion relief, over half of the projects ranked "1st tier" were in Northern Virginia, which has been producing 2/3 of Virginia's economic growth.
- 2 Borrowing is not new revenue. It is a means of financing that reflects the fact a need is so critical we can't wait. The fact that we are using it more and more reflects the crisis that has been allowed to develop. If we use borrowing instead of, rather than along with, increasing our revenue stream, we will create an even greater crisis in the future, as more and more funds are committed to debt service and are off the table for on-going needs.
- 3 Funding, Construction, and Planning are inseparable. All the efficiency and documentation in the world won't build a single project if the funding is not in place. Likewise, all the land use planning we've done in Northern Virginia is meaningless if the transportation assumptions of the plan are never funded. The Northern Virginia 2010 Plan was simply the first time in 1989 that all the local government land use transportation plans were brought together with some regional transit added. The 2020 Plan is just more refined. It is not a wish list. As some projects are reduced in detailed review, others will become more complex. The magnitude of our problem is known: \$27 billion in basic construction, transit and maintenance needed in Northern Virginia alone over the next 20 years just to keep congestion from getting worse.
- 4 No one source of funding will "solve" our transportation needs. To address our serious problem, to invest in Virginia's future, we must
 - a. make sure the gas tax can support government's on-going responsibility to fill the potholes and meet people's every day needs;
 - b. use general fund sources to invest in essential infrastructure, whether through borrowing and/or directly as the 1986 Special Session did in tapping the sales tax for the first time;
 - c. continue to maximize federal funds as has been done extremely well in this decade;
 - d. recognize when tolls and user fees are justified to defray the full cost of a service;
 - e. explore all financial options to shape private /public partnerships and deal in good faith in the use of developer contributions; and
 - f. embrace local and regional initiatives, not just foist-off responsibility.

In short, while of course we will cut costs, refine our plans, improve administration, and maximize environmentally sound alternatives, the magnitude of the bottom line of every study is inescapable. Even if we pare back projects to the bare minimum, we have a \$1.6 billion annual shortfall. The correct answer is "all of the above." The correct answer is ACTION.

Authorized by Vivian E. Watts