

Section 7.0: Actionable Recommendations

Based on its study of transportation issues in Louisiana and the community-driven input received around the State, the Task Force elected to act through formal resolution in making actionable recommendations as charged by JBE 2016-23. The Task Force adopted 9 resolutions⁸ that, if acted upon collectively, address the multimodal transportation needs of Louisiana in a sustainable manner.

Subsection 7.1: Resolution A – Revenue

On December 13, 2016, the Governor’s Task Force on Transportation unanimously adopted the following resolution to recommend an additional \$700 million annually for multimodal transportation in Louisiana:

WHEREAS, attendees of regional meetings expressed support for investing in transportation infrastructure in a manner that addresses the State’s long-term needs; and

WHEREAS, the Task Force studied and supports the process and projects identified in the Louisiana Statewide Transportation Plan (LSTP), which was established by a wide range of stakeholders and public officials from across Louisiana prior to this administration assuming state leadership, to plan for and address the State’s long-term maintenance and capacity needs; and

WHEREAS, the LSTP identifies A and B Megaprojects in each region of the State needed to improve safety, address congestion, and facilitate economic development; and

WHEREAS, the LSTP identifies the need to invest in rural areas of the state through an enhanced overlay and rehabilitation program that benefits all 64 parishes; and

WHEREAS, the LSTP studied four possible funding scenarios and how the Department of Transportation and Development (DOTD) should carry out its work with respect to each scenario; and

WHEREAS, scenarios one and two are contrary to the mission of the Task Force because they do not anticipate increases in funds for multimodal transportation in Louisiana, and

⁸ Copies of the enrolled resolutions are available online at http://wwwsp.dotd.la.gov/Inside_LaDOTD/Divisions/Administration/GTFTII/Pages/default.aspx

WHEREAS, scenario three, which anticipates the indexed annual increase of \$400 million for multimodal transportation in Louisiana, will allow the State to better maintain the current transportation system but not fully finance A and B Megaprojects in the LSTP; and

WHEREAS, scenario four, which anticipates the indexed annual increase of \$700 million for multimodal transportation in Louisiana, will deliver a better maintained transportation system and A and B Megaprojects in the LSTP; and

WHEREAS, scenario four would provide significant benefits to the people of Louisiana by improving safety conditions on state highways, increasing the number of miles of overlaid annually, increasing bridge rehabilitation and replacement, and decreasing congestion; and

WHEREAS, the State does not currently have sufficient revenue to secure all available federal funding for transportation without utilizing toll credits as state match, a non-recurring substitute for state revenue that will be exhausted within the next two to three years; and

WHEREAS, scenario four provides sufficient revenue to ensure the State of Louisiana has a competitive advantage over many states to secure all federal funds currently available and any additional federal funds that may become available in the coming years; and

WHEREAS, the task force determined that a one cent increase in motor fuel tax generates approximately \$30 million, which, if not indexed, will immediately begin to progressively lose value over time.

THEREFORE BE IT RESOLVED, that the Governor's Task Force on Transportation Infrastructure Investment does hereby recommend an additional \$700 million annually for multimodal transportation in Louisiana; and

BE IT FURTHER RESOLVED, that nationally, the most reliable, proven and meaningful source of funding for transportation is an excise tax on motor fuel, but that other sources, including, but not limited to special permit fees and vehicle registration fees for the commercial trucking industry, should be considered in achieving the desired level of funding in a recurring manner; and

BE IT FURTHER RESOLVED, the use of indexing with any new revenue stream should be carried out in a manner that provides long-term gradual increases over time without creating short-term volatility; and

BE IT FURTHER RESOLVED, a copy of this resolution and additional information supporting the findings contained herein shall be included in the submission to the Governor by January 1, 2017.

Consistent with the charge of JBE 2016-23, \$700 million more in annual recurring revenue for transportation is necessary to better support the state’s vast multimodal transportation system and make strategic, timely expansions through the construction of Category A and B Megaprojects. There are two key components to this recommendation: the \$700 million figure and its annual recurring nature. These two components are far more important than the source of the revenue, and if either are not fulfilled, the State will not have the resources to deliver what is needed.

The Task Force arrived at this recommendation through careful review of the LSTP funding scenarios and independent analysis. As a result of the lingering effects of relying heavily on one-time revenue for construction, it will take an additional \$700 million in annual recurring revenue to maintain what the State has built and continue to responsibly and strategically expand the system.

At current funding levels, Louisiana’s annual construction lettings are the lowest in the southern region as depicted in Graphic L. Adding approximately \$700 million per year to construction lettings does not place Louisiana anywhere near the top of the list; however, it does put Louisiana in a much more competitive position.

Graphic L: LA Construction Expenditures Far Less Than Other Southern States

