AGENDA

9:00AM to 9:45AM
Opening Session

- Welcome  Eric Kalivoda, DOTD
- Update of the Statewide Transportation Plan  Don Vary, CDM Smith
  - Plan Status
  - Vision, Goals, Objectives, Performance Measures
  - Megaprojects
  - Revenue Scenarios
- Freight Plan Initiative  Keith Bucklew, CDM Smith
- Break Out Session Objectives  Don Vary, CDM Smith

9:45AM to 10:00AM – Break

10:00AM to 12:00PM
Freight Rail Advisory Council Meeting

- Welcome/Introductions  Carmack Blackmon, AC Chair
- Questions Before Starting  Justin Fox, CDM Smith
- Statewide Transportation Plan Update  Justin Fox, CDM Smith
  - Revenue Scenarios Discussion
  - Policy Recommendations Discussion
  - Megaprojects
  - Plan Implementation Discussion
  - Wrap Up/Next Steps
- Louisiana State Rail Plan Update  Justin Fox, CDM Smith
FORECASTED REVENUE SCENARIOS | FY 2012-2044

**Scenario 1B - "BASELINE"**
- Business as usual, no new revenues or adjustments.

**Scenario 2B - "REDUCTION"**
- Major reduction in Federal funds (AASHTO, 2012), State funds remain unchanged.

**Scenario 3B - "MODERATE INCREASE"**
- Increase in Transportation Trust Fund due to State vehicle sales tax revenue infusion in FY 2020, Federal funds remain unchanged.

**Scenario 4B - "AGGRESSIVE INCREASE"**
- State vehicle sales tax revenue infusion in FY 2020 + increase in Federal funds in FY 2020.

**NEEDS = $47 Billion**
- Scenario 1B = $18.6 Billion
- Scenario 2B = $16.1 Billion
- Scenario 3B = $28.1 Billion
- Scenario 4B = $35.1 Billion

### Forecasted Revenue Scenarios by Mode

<table>
<thead>
<tr>
<th>Mode</th>
<th>Scenario Revenue Levels [FY 2012 – 2044] Constant 2010 Dollars, in Billions</th>
<th>1B</th>
<th>2B</th>
<th>3B</th>
<th>4B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roadway &amp; Bridge</td>
<td></td>
<td>$15.6</td>
<td>$13.4</td>
<td>$24.5</td>
<td>$31.0</td>
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<tr>
<td>Transit</td>
<td></td>
<td>$ 1.8</td>
<td>$ 1.5</td>
<td>$ 1.8</td>
<td>$ 2.3</td>
</tr>
<tr>
<td>Port</td>
<td></td>
<td>$ 0.5</td>
<td>$ 0.5</td>
<td>$ 1.0</td>
<td>$ 1.1</td>
</tr>
<tr>
<td>Aviation</td>
<td></td>
<td>$ 0.7</td>
<td>$ 0.7</td>
<td>$ 0.7</td>
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<tr>
<td>Rail</td>
<td></td>
<td>$ 0.0</td>
<td>$ 0.0</td>
<td>$ 0.1</td>
<td>$ 0.1</td>
</tr>
<tr>
<td>Total (Billions)</td>
<td></td>
<td>$18.6</td>
<td>$16.1</td>
<td>$28.1</td>
<td>$35.1</td>
</tr>
<tr>
<td>Annual Average (Billions)</td>
<td></td>
<td>$0.56</td>
<td>$0.49</td>
<td>$0.85</td>
<td>$1.06</td>
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</tbody>
</table>
Revenue Scenario Allocations | FY 2012-2044

**Scenario 1B – “Baseline”**

- Highway Preservation: 51.1%
- Highway Operations: 6.8%
- Highway Safety: 7.0%
- Highway Expansion: 15.9%
- Non-Transportation: 0.9%
- Non-Highway/Other Transportation: 18.3%

**Scenario 2B – “Reduction”**

- Highway Preservation: 51.9%
- Highway Operations: 5.6%
- Highway Safety: 6.4%
- Highway Expansion: 20.4%
- Non-Transportation: 0.8%
- Non-Highway/Other Transportation: 14.8%

**Scenario 3B – “Moderate Increase”**

- Highway Preservation: 58.8%
- Highway Operations: 9.1%
- Highway Safety: 10.2%
- Highway Expansion: 4.5%
- Non-Transportation: 1.4%
- Non-Highway/Other Transportation: 16.1%

**Scenario 4B – “Aggressive Increase”**

- Highway Preservation: 58.6%
- Highway Operations: 10.0%
- Highway Safety: 9.3%
- Highway Expansion: 2.6%
- Non-Transportation: 1.6%
- Non-Highway/Other Transportation: 17.9%

Source: CDM Smith, 2013

Forecasts and information are for planning purposes only.

Assumptions:
- Constant dollars, 2010.
- Federal revenues based on MAP-21, DOTD’s historic suballocations continue.
- State revenues based on Louisiana Revenue Estimating Conference results, considers debt service commitments, other administrative costs deducted.
**LOUISIANA STATEWIDE TRANSPORTATION PLAN UPDATE**

**ADVISORY COUNCIL MEETINGS – ROUND THREE**

January 22-23, 2014 • Baton Rouge, LA

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**FUNDING OPTIONS**

**Needs versus Revenue [FY 2012-2044] = Funding Gap, in Billions**

<table>
<thead>
<tr>
<th>Mode</th>
<th>Needs</th>
<th>1B – “Baseline” Revenues</th>
<th>Funding Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roadway &amp; Bridge</td>
<td>$28.2</td>
<td>$15.6</td>
<td>$12.6</td>
</tr>
<tr>
<td>Transit</td>
<td>$7.2</td>
<td>$1.8</td>
<td>$5.4</td>
</tr>
<tr>
<td>Freight &amp; Passenger Rail</td>
<td>$2.0</td>
<td>$0.0</td>
<td>$2.0</td>
</tr>
<tr>
<td>Ports &amp; Waterways</td>
<td>$7.1</td>
<td>$0.5</td>
<td>$6.6</td>
</tr>
<tr>
<td>Aviation</td>
<td>$2.6</td>
<td>$0.7</td>
<td>$1.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$47.1</strong></td>
<td><strong>$18.6</strong></td>
<td><strong>$28.5</strong></td>
</tr>
</tbody>
</table>

Note: Constant dollars, 2010. Information is for planning purposes only.

**Potential Funding Options to "Fill the Gap"**

- **General Sales Tax**: Replace the 20-cents-per-gallon motor fuel tax with an increase in the statewide sales tax on all items subject to the current Louisiana sales tax.

- **Motor Fuels Sales Tax**: Convert the 20-cents-per-gallon gasoline tax to a statewide percentage sales tax applied to the value of the motor fuel purchased (or add a smaller sales tax).

- **VMT Fee**: Assess a mileage-based, direct user fee to all driving on all roads.

- **Local Options**: Local funding options such as local motor fuel taxes, local vehicle registration fees, property taxes, local option sales taxes, and local income taxes.

- **Advanced Transportation District**: Regional tax districts which may be established to fund transportation projects.

- **Tolling**: Fees directly imposed to utilize a specific facility.

- **Indexing Motor Fuel Taxes**: Ties motor fuel taxes to an inflation index (e.g., Cost of Living Index, Consumer Price Index) allowing revenues to grow without legislative action.

- **Project Specific Tax**: A sales or motor fuels tax for a specified period to cover the cost of one or more projects (e.g. TIMED Program).

- **Registration Fees**: Increase vehicle registration fees.

- **Violation Surcharge**: A surcharge on certain traffic violations in addition to normal court-inflicted penalties with proceeds allocated to specific public programs (e.g. transportation).
Revenue Potential of Funding Options

<table>
<thead>
<tr>
<th>Funding Option</th>
<th>Potential Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Sales Tax</td>
<td>1-cent sales tax could generate $650 million/year</td>
</tr>
<tr>
<td>Motor Fuels Sales Tax (% of Value)*</td>
<td>7% would have generated $100M in additional $ (2012)</td>
</tr>
<tr>
<td>VMT Fee</td>
<td>One-cent per-mile fee could raise $32.4 billion nationally (2010)</td>
</tr>
<tr>
<td>Local Options</td>
<td>Yield varies based on population size and amount of tax levied</td>
</tr>
<tr>
<td>Advanced Transportation District</td>
<td>Yield varies based on district size/ boundaries</td>
</tr>
<tr>
<td>Tolling</td>
<td>Yield varies depending on toll rates and traffic</td>
</tr>
<tr>
<td>Indexing Motor Fuel Taxes</td>
<td>Yield varies depending on indexing mechanism</td>
</tr>
<tr>
<td>Project Specific Tax</td>
<td>Yield varies according to project cost and public willingness</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>An effective $1 increase in vehicle registration fees may generate about $4 million</td>
</tr>
<tr>
<td>Violation Surcharge</td>
<td>$25-$40 million annually if similar to recent initiative in another state</td>
</tr>
</tbody>
</table>

Source: CDM Smith, 2013.

*Replace state gas tax with 7% motor fuels sales tax.

Evaluation of Funding Options

<table>
<thead>
<tr>
<th>Funding Option</th>
<th>Potential Yield</th>
<th>Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Sales Tax</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Motor Fuels Sales Tax (% of Value)</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>VMT Fee</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Local Options</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Advanced Transportation District</td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Tolling</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Indexing Motor Fuel Taxes</td>
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<td>High</td>
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Source: CDM Smith, 2013.