

Subsection 7.2: Resolution B – Commercial Trucking Special Permit Fees

On December 13, 2016, the Governor’s Task Force on Transportation unanimously adopted the following resolution, to recommend increasing revenue through special permit fees for the commercial trucking industry as a bondable means of financing for a statewide bridge improvement program:

WHEREAS, bridge conditions in Louisiana are such that more than 220 bridges are currently closed, over 1,000 bridges have load-posted weight limits, more than 750 bridges have exceeded their useful life of 50 years, and nearly 2,500 bridges still have timber components; and

WHEREAS, without additional revenue to fund a bridge improvement program in Louisiana, additional bridges will continue to be closed and weight restricted, at an accelerating rate, disrupting commerce through lengthy detour routes in both urban and rural areas; and

WHEREAS, special permit fees for the commercial trucking industry were identified by attendees of regional meetings as a means of increasing revenue for transportation infrastructure in Louisiana; and

WHEREAS, the Task Force has determined that existing special permits fees for the commercial trucking industry provide for inequity with respect to specific commodities and do not correlate with impacts to the transportation system; and

WHEREAS, the Task Force has determined establishing special permit fees for the commercial trucking industry based on impact to the transportation system rather than with respect to the commodity being transported to be sound public policy; and

WHEREAS, such revisions to the existing fee structure would have commercial trucks with more impact to the transportation system invest more than those with less impact; and

WHEREAS, the Task Force has determined the use of additional revenue from special permit fees for a bondable bridge improvement program that targets all 64 parishes to be appropriate, as bridges in rural areas are particularly susceptible to impacts from heavy loads that can result in closure or weight restrictions that impede commerce; and

WHEREAS, revisions to the existing fee structure could increase additional revenue to justify increasing the diesel tax rate lower than the gasoline tax; and

WHEREAS, under the existing fee structure, special permits for the commercial trucking industry generate approximately \$25 million annually; and

WHEREAS, comprehensive special permit reform was last performed in 1977, and the existing permit and fee structure is the result of 75 changes to the law over the last 40 years; and

WHEREAS, the Louisiana Legislature established the Special Permit Task Force through House Concurrent Resolution 105 of the 2016 Regular Legislative Session to study and recommend changes to simplify, consolidate, adjust fees, create efficiencies, and improve the use of technology related to special permits by February 1, 2017.

THEREFORE BE IT RESOLVED, the Governor's Task Force on Transportation Infrastructure Investment does hereby recommend increasing revenue through special permit fees for the commercial trucking industry as a bondable means of financing for a statewide bridge improvement program; and

BE IT FURTHER RESOLVED, that revisions to the existing fee structure should increase additional revenue to justify increasing the diesel tax at an appropriate rate lower than the gasoline tax; and

BE IT FURTHER RESOLVED, that increases in special permit fees for the commercial trucking industry should provide equity and ensure that commercial trucks with more impact to the transportation system invest more than those with less impact; and

BE IT FURTHER RESOLVED, to the extent its recommendation increases sufficient revenue in a manner that provides equity and ensures commercial trucks with more impact to the transportation system invest more than those with less impact, the Task Force defers to the findings and recommendations of the Special Permit Task Force created by House Concurrent Resolution 105 of the 2016 Regular Legislative which is due by February 1, 2017; and

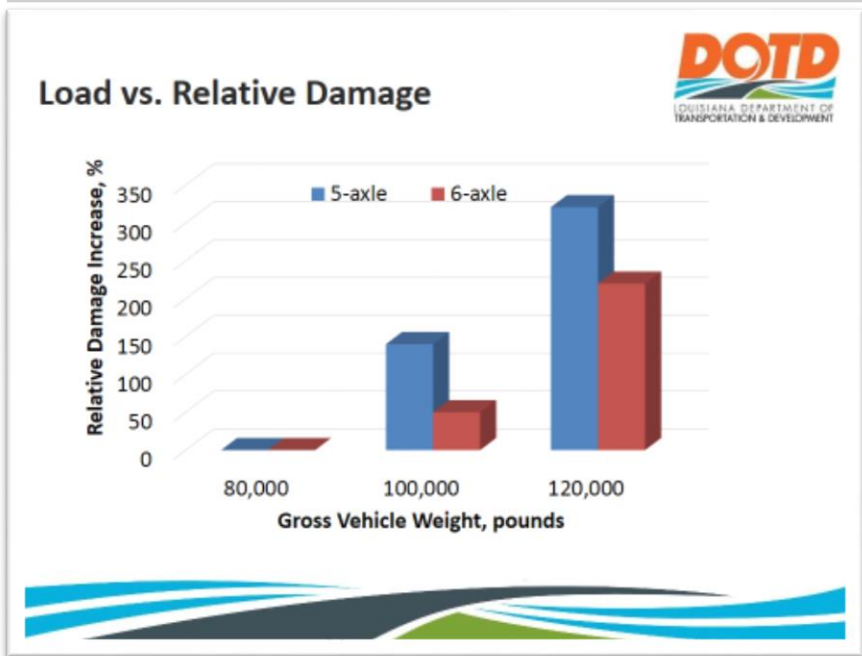
BE IT FURTHER RESOLVED, a copy of this resolution and additional information supporting the findings contained herein shall be included in the submission to the Governor by January 1, 2017.

Pursuant to federal law, each state establishes specific weight and size limitations for loads on state highways. Louisiana is unique in that it authorizes a gross vehicle weight (GVW) of 83,400 pounds on interstates while many other states adhere to the 80,000 pounds authorized in federal law. Similarly, in excess of many other states, Louisiana allows a GVW of 88,000 pounds on non-interstate highways. Louisiana law also establishes parameters under which legal weight and size limits can be exceeded through issuance of a permit by DOTD. While all states issue permits that allow certain loads to exceed the maximum weight and size limits, Louisiana is unique in that over 30 permits are established in law along with various commodity-specific fees and enforcement variances. This complex structure is the result of dozens of changes to the law since 1977, the overwhelming majority of which created exceptions for certain types of loads. As an example, fees for permits range from \$10 to over \$1,000 without respect to the load’s impact to the transportation system. While the current system does not take into consideration a load’s impact to the transportation system, it does generate approximately \$25 million per year that is dedicated as TTF and invested back into the state’s transportation system.

With over 1,000 load-posted bridges in Louisiana, the commercial trucking industry is extremely restrained with respect to available routes⁹. When adhered to, load-posted bridges require trucks to take lengthy detours over bridges that can handle the load weight. When ignored, overweight trucks that cross load-posted bridges put themselves and others in danger. If acted upon, this resolution would result in a permitting system that treats weight as weight and size as size, without respect to the commodity being transported. Considering that the type of commodity has no bearing on the impact to the transportation system, this approach is the best policy position as it places more of the investment burden on the heavier loads that cause more impact, as depicted in Graphic M.

To the extent that a new permitting structure is established in this manner and generates additional revenue, these funds should be used to enhance bridge conditions around the State in a way that benefits commerce through a bondable statewide bridge improvement program. As an idea of how these funds could be leveraged through bonding, \$10 million bonded out over a 20-year period would generate an approximate lump sum investment of \$75 million. Whereas, \$15 million bonded out over a 20-year period would generate an approximate lump sum investment of \$112 million. Depending on the amount of revenue generated, a bondable

Graphic M: Overweight Loads Have Much Greater Impact on Transportation System



⁹ Appendix C provides a map of Louisiana with every load posted bridge across the State. It is difficult for commercial trucks to find routes without load posted bridges.

bridge program using special permit fees could make a meaningful difference in the safe, efficient movement of commerce in Louisiana.

Failure to improve the statutory special permitting system will result in more deterioration of the transportation system and advance the flawed notion that weight and size should be regulated with respect to the commodity instead of with respect to impact. Under this current model, the traveling public and truck loads that meet legal limits are forced to shoulder too much of the impact from specially permitted loads. This structure is part of the reason nearly all available construction funds must be spent on preservation of the existing transportation system.

This resolution would enhance an existing revenue source for the improvement of bridges across Louisiana that would provide for more efficient and safer commercial truck routes. Since the needs are so great for Category A and B Megaprojects, it is critical to dedicate a portion of new funding to the enhancement of bridges on urban and rural routes that impede commerce. Without this dedication, the replacement of load-posted bridges will be forced to compete with the many highly sought after, expensive Category A and B Megaprojects. Without an increased revenue stream for bridges in Louisiana, bridge closures and load postings will continue to hamper the efficient flow of goods across the State.