



**LOUISIANA STATEWIDE TRANSPORTATION PLAN UPDATE  
ADVISORY COUNCIL MEETINGS – ROUND THREE  
FREIGHT RAIL**

*January 23, 2014 • 9:00AM to 12:00PM  
Marriott Hotel, Baton Rouge, LA*

**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.

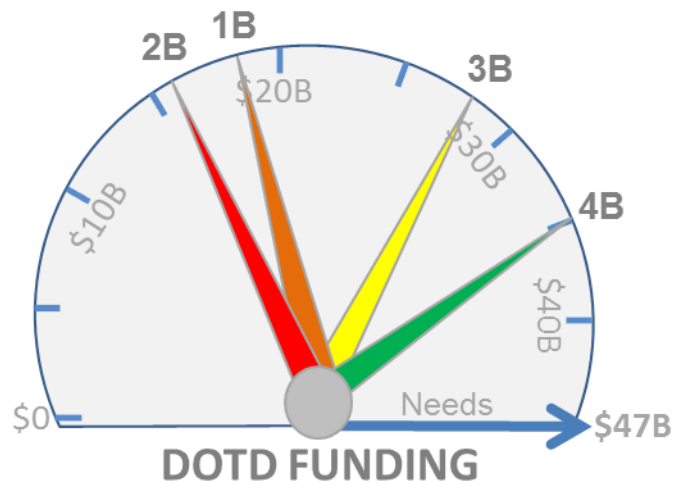
**NEEDS = \$47 Billion**

**Scenario 1B = \$18.6 Billion**

**Scenario 2B = \$16.1 Billion**

**Scenario 3B = \$28.1 Billion**

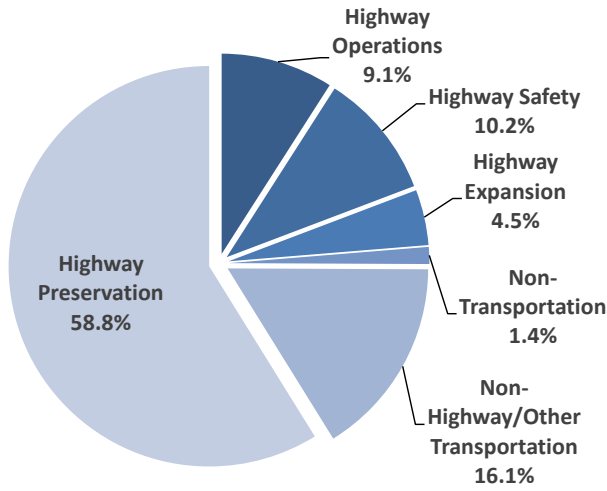
**Scenario 4B = \$35.1 Billion**



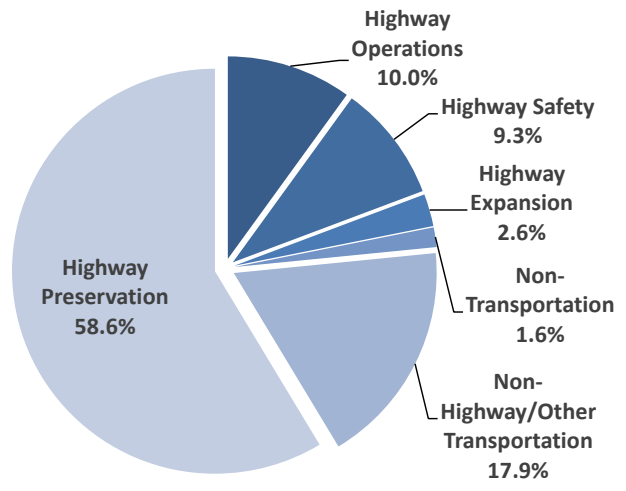
## Forecasted Revenue Scenarios by Mode

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

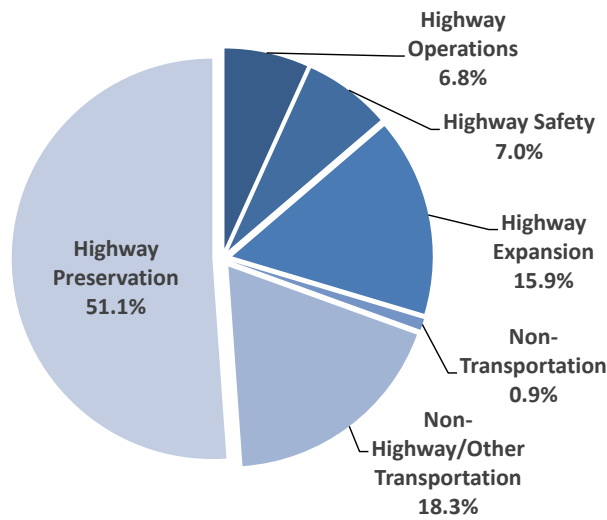
**Revenue Scenario Allocations | FY 2012-2044**



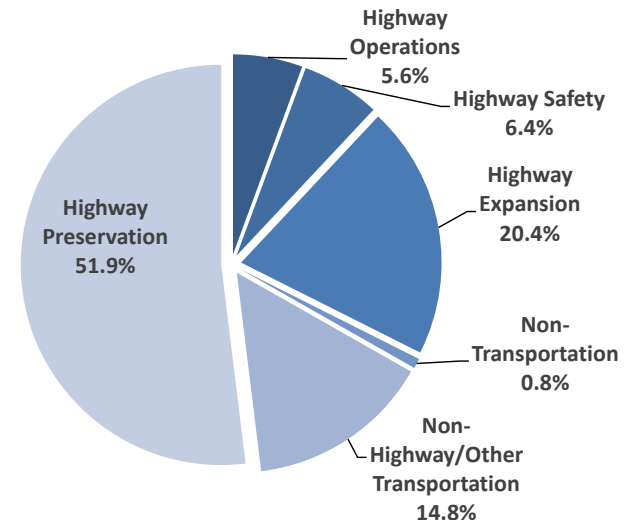
**Scenario 1B – “Baseline”**



**Scenario 2B – “Reduction”**



**Scenario 3B – “Moderate Increase”**



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

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.

## FUNDING OPTIONS

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

| Mode                     | Needs         | 1B – “Baseline”<br>Revenues | Funding Gap   |
|--------------------------|---------------|-----------------------------|---------------|
| Roadway & Bridge         | \$28.2        | \$15.6                      | \$12.6        |
| Transit                  | \$7.2         | \$1.8                       | \$5.4         |
| Freight & Passenger Rail | \$2.0         | \$0.0                       | \$2.0         |
| Ports & Waterways        | \$7.1         | \$0.5                       | \$6.6         |
| Aviation                 | \$2.6         | \$0.7                       | \$1.9         |
| <b>Total</b>             | <b>\$47.1</b> | <b>\$18.6</b>               | <b>\$28.5</b> |

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 (eg. 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 (eg. 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 (eg. transportation).

## Revenue Potential of Funding Options

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

Source: CDM Smith, 2013.

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

## Evaluation of Funding Options

| Funding Option                                  | Potential Yield | Sustainability |
|---|-----------------|----------------|
| <b>General Sales Tax</b>                        | Moderate        | High           |
| <b>Motor Fuels Sales Tax (% of Value)</b>       | Moderate        | High           |
| <b>VMT Fee</b>                                  | High            | High           |
| <b>Local Options</b>                            | Moderate        | Moderate       |
| <b>Advanced Transportation District Tolling</b> | Low             | Moderate       |
| <b>Indexing Motor Fuel Taxes</b>                | Moderate        | Moderate       |
| <b>Project Specific Tax</b>                     | High            | High           |
| <b>Registration Fees</b>                        | Low             | Low            |
| <b>Violation Surcharge</b>                      | Moderate        | Moderate       |
|   | Moderate        | High           |

Source: CDM Smith, 2013.