

Transportation

Agenda

- **Traffic congestion, while inconvenient, is a sign of a thriving economy**
- **Focus transportation planning on increasing mobility**
- **Facilitate private enterprise involvement in transportation improvements**
- **Rethink how we price roads**
- **Plan for increased capacity in growing urban areas**
- **Relieve congestion by expediting truck traffic**
- **Encourage types of transit that are competitive with automobiles**
- **Deregulate the urban transit market to improve service and choice**
- **Utilize competitive contracting to reduce costs**
- **Reduce the role of the federal government in the transportation funding equation**
- **Use objective criteria in choosing commuter and intercity passenger rail routes**

Facts

- The Federal Highway Administration expects vehicle miles of travel to increase by another 42 percent between 2003 and 2020, with the growth rate for heavy trucks increasing faster than that for lighter vehicles.
- Georgia is one of 25 “donor” states that get back less than 100 percent of the federal gas tax dollars they contribute to the federal government. Georgia’s return rate is 85 percent.
- In April 2004, there were 7,661,718 registered vehicles in Georgia: 4,881,841 passenger vehicles; 1,815,638 trucks; 820,111 trailers; 117,668 motorcycles; 26,253 buses and 207 other vehicles.¹
- Between 1990 and 2002, the population of Georgia increased 32 percent and the number of licensed drivers increased 44 percent. In 2000, 91 percent of residents over age 14 were licensed drivers.
- Eighty-one percent of Georgia workers drove to work alone in 2002; 11 percent carpooled; 3 percent took public transportation and 2 percent used other means. The remaining 3 percent worked at home.²
- Atlanta’s Hartsfield-Jackson International Airport is the busiest passenger airport in the world.
- Georgia’s railroad system consists of nearly 4,900 miles operated by 21 freight railroads. CSX and Norfolk Southern own and operate 73 percent of the total; 19 others are independent short-line operators. The Georgia Department of Transportation owns about 400 miles of track that it leases to short-line operators.
- The Georgia Ports Authority (GPA) operates the deepwater ports of Savannah and Brunswick, together with inland ports in Bainbridge and Columbus. Savannah is the largest single container facility on the East Coast. In fiscal 2002, GPA-operated terminals exceeded 13 million tons of cargo, a 5.2 percent increase over the previous year and a 39.8 percent increase since fiscal 1995.³
- Georgia has a total of 115,777 miles of public road: 1,245 miles of them are interstate.
- Georgia’s 7.5 cent state gasoline tax is the lowest in the nation.
- In 2002, just 0.19 percent of Georgia roads – 59 miles – were rated as mediocre or poor.⁴ An annual survey of truck drivers ranked Georgia’s road quality as fourth best in the nation.⁵
- The percentage of structurally deficient bridges is decreasing.⁶ In 1992, 29 percent of Georgia’s bridges were structurally deficient or functionally obsolete; in 2003, it was 21 percent.
- From 1990 to 2002, the number of vehicle miles traveled increased 47 percent but the number of wrecks increased at a lower rate: 43.6 percent.⁷
- Georgians carpool at a higher rate than the national average (14.5 percent versus 12.2 percent), but the rate of public transportation use is lower (2.3 percent versus 4.7 percent), as is the rate of people who walk (1.7 percent versus 2.9 percent).
- Rural and urban transit service levels have increased, although transit use has declined as a percentage of Georgia’s population.

- The percentage of congested urban roadways has increased. In metro Atlanta, the annual hours of delay per person increased about 467 percent from 1982 to 2001. (Six hours in 1982 grew to 34 hours in 2001.) From 1995 to 2001, delays increased four hours per person.⁸
- Atlanta's traffic congestion is fifth worst in the nation, but traffic density (traffic volume per square mile) is below average.

Overview

The state's population is forecast to grow by 2.4 million people (or 31 percent) by 2025. Transportation solutions in Georgia are impacted by rapid population growth, congestion, air quality issues, the low density of Georgia's suburban population and the consequent inefficiency of public transportation. Nationwide, the cost of congestion continues to climb: 5.7 billion gallons of wasted fuel and 3.5 billion hours of lost productivity resulting from traffic congestion in 2001 cost \$69.5 billion, \$4.5 billion more than the year before.⁹

Georgia has 12 urban public transportation systems and 82 rural transit systems. The rural transit service is a demand/responsive service that operates 336 small buses and vans to serve rural residents.¹⁰ A survey by the Metro Atlanta Chamber of Commerce released in 2004 reported that motorists in metro Atlanta – where rapid growth is exacerbating congestion – would be willing to embrace mass transit if it were fast, convenient and reasonably priced.

The tonnage shipped to, from and through Georgia is forecast to increase 63 percent by 2025. Freight movement in the state is dominated by trucking, which carries 87 percent of all cargo. More than 100 motor freight carriers serve the Atlanta area alone. Georgia has 35 scheduled carriers, 2,200 intrastate haulers, and 25,000 interstate truckers serving points throughout the state.¹¹

The major source of transportation funds is the taxes on motor fuel. This also is commonly referred to as a user tax, because only those who use motor fuel pay the tax. In Georgia, three distinct taxes are levied on gasoline: federal (18.4 cents) and state (7.5 cents) per gallon taxes; and the state sales tax (4 percent). The 18.4 cents portion forms the core of federal highway funds and is deposited into a trust fund account called the Highway Trust Fund. Additionally, there are trust funds for aviation and transit, also financed by user taxes. One hundred percent of the 7.5 cents per gallon state tax on motor fuel is legally dedicated to highway use. Seventy-five percent of the state sales tax on motor fuel is dedicated to highways, and 25 percent of the sales tax goes to the state's General Fund.

The goal of the Governor's Road Improvement Program (GRIP), established in 1989, is to connect Georgia's cities with a population of 2,500 or more. This will be accomplished by providing four-lane highway connectivity to the interstate highway system. When the 19 GRIP corridors are completed, the 3,184-mile system will place 98 percent of Georgia's population within 20 miles of a multilane highway and provide access for oversized trucks to all cities with populations above 2,000. Currently, 55 percent of the total GRIP system is complete (open to traffic) or under construction, making up 1,753 miles.¹²

The governor's \$15.5 billion "Fast Forward" transportation proposal includes \$1.5 billion in General Obligation and General Revenue bonds to fund arterial road improvements and GRIP.

Georgia has two deepwater ports. The port in Savannah specializes in containerized cargo and is one of the busiest container ports in the world. The port in Brunswick specializes in bulk cargo and automobile processing. In fiscal 2003, more than 2,426 ships visited Savannah and Brunswick. About 1.5 million containers passed through Savannah, 31.5 percent more than the previous year.¹³

Container Berth 8 under construction in Savannah will expand the port's container-handling capacity by 20 percent. Additionally, to accommodate increasingly larger ships and cargo volume, Savannah and Brunswick will boast deeper channels by 2010.

Georgia has eight commercial airports with service by major national carriers. Atlanta's Hartsfield-Jackson International Airport, as one of Georgia's most important ports and the nation's busiest airport, is currently building a fifth runway that will dramatically enhance its capacity.

Agenda

Traffic congestion, while inconvenient, is a sign of a thriving economy

Traffic congestion is a major concern, particularly in metro Atlanta, but it is important to remember that it is a challenge produced by growth, not decline. A growing economy allows individuals and businesses to pursue improvements in their quality of life and business opportunities. More citizens can afford cars, and more trips result from the additional jobs that are created. More women are joining or rejoining the work force, and the automobile gives them the flexibility to accommodate family and career, contributing to an improved lifestyle for their families.

There are environmental impacts associated with growth, but a growing economy is also critical to providing the resources necessary to develop innovative solutions to those impacts.

Focus transportation planning on increasing mobility

Georgia's transportation policy must be geared toward increasing mobility and limiting congestion. Air quality is an important consideration, but it is a matter for environmental policy and should not drive transportation policy. In any event, technological advances and fleet turnover will continue to reduce automobile emissions. For example, in 2003, registration of fuel-efficient, environmentally friendly hybrid vehicles increased 26 percent over 2002, and Georgia ranked 17th among the top 20 hybrid-purchasing states.

Congestion, on the other hand, will continue to frustrate commuters and threaten economic opportunity unless mobility is addressed. The Texas Transportation Institute, which annually publishes a report on the cost of congestion, reported in 2003 that delays caused by traffic congestion cost the Atlanta region \$1.9 billion annually in lost time and wasted fuel.

Planning agencies need to set performance goals and objective, data-driven measurement tools, then identify and prioritize transportation projects for funding. An objective process can effectively and efficiently address mobility and depoliticize transportation choices in Georgia.

Researchers from the Texas Transportation Institute completed a study in 2003 that establishes a process for Texas whereby vision, needs and accountability drive the selection of transportation improvement options, rather than how much money is available to solve immediate problems. It is also intended to define minimum transportation system performance standards and identify the costs and benefits of achieving those standards.¹⁴

Such a process would particularly benefit roads in the metro Atlanta region, site of the state's most congested corridors, which until now have received little to no funding for improvements. Fortunately, the governor's "Fast Forward" transportation plan proposes allocating 50 percent of funding to metro Atlanta, home to about 50 percent of the state's population.

"Fast Forward" proposes prioritizing immediate congestion relief by, among other options, synchronizing traffic lights and adding stoplight controls at highway entrance ramps. Georgia's transportation planners need to include, wherever viable, roundabouts (traffic circles) instead of traffic lights. A survey by the Insurance Institute for Highway Safety cites the effectiveness of circular intersections. It found a 76 percent reduction in

injury-producing crashes and 39 percent fewer crashes overall at modern traffic circles compared with intersections using signals or stop signs. In addition, the institute estimates, roundabouts reduce the number of fatal and incapacitating injury crashes by an astounding 90 percent.¹⁵

Facilitate private enterprise involvement in transportation improvements

Based on projections, Georgia's population and resulting transportation demands will continue to grow. As technology improvements continue to enhance fuel efficiency and alternative fuels become more common, motor fuel tax revenue will decline, as will its role as the major funding source for roads and bridges in Georgia. This will require a new approach to funding roads.

The funding gap: Georgia raises 93 percent of its transportation revenue from the motor fuel tax, compared to an average of 60 percent in other states. It is projected that state motor fuel tax revenues will raise \$13 billion in revenue through 2025. Combined with other revenue sources, the Georgia Department of Transportation can only be certain of having \$36 billion to spend on programs during this time period.

Estimates of the costs of the improvements and programs currently in the state's transportation plans and programs are projected to be more than \$51 billion over the 25-year life of the plan. However, this plan does not improve the transportation system enough to meet the travel demand forecast for Georgia during the next 25 years, which the Department of Transportation estimates will cost \$66–\$75 billion. Thus, there is at least a \$30 billion gap between the Department's projected financial resources and the cost of meeting its projected needs.¹⁶

At the same time, the federal government is signaling states not to rely on federal funding. The Federal Highway Administration estimates that every year through 2020, the nation will need to spend, on average, about \$76 billion – or 18 percent more than it spent in 2000 – just to maintain the nation's highways and bridges, and about \$107 billion or 65 percent more than it spent in 2000 to improve them. But federal and state governments will face serious budget deficits and “a demographic tidal wave where mandatory spending for Social Security and Medicare will command a greater share of the nation's resources, overwhelming the funding available for discretionary programs such as transportation.”¹⁷

The optimal revenue source for the state would be a fee system related to use of the roadway capacity instead of the use of fuel. Toll roads have historically been the ultimate user fee, but traditional toll collection facilities were cumbersome, time-consuming and unpopular with the public.

Successful electronic tolling technology like the Georgia Cruise Card enables toll collection while reducing hassles or delays and can even eliminate the toll booth altogether. Georgia 400 could also be converted to a system similar to the Route 407 beltway in Toronto, where users without the equivalent of an electronic Cruise Card are simply billed through the mail. The result is less congestion, a quicker trip and improved local air quality as fewer cars idle in line.

Georgia's Public-Private Infrastructure Act of 2003 was prompted by, and immediately spurred, private-sector interest in investing in adding road capacity. Motorists can expect to encounter more toll roads, particularly on new road capacity, as public-private partnerships generate a return on transportation investments. However, policy-makers must be vigilant in preventing bureaucratic barriers to the success of such projects. Excessive rules and regulations diminish profitability and discourage investment, consequently defeating the goal of increased mobility.

As the state moves toward greater use of tolls, other concerns are that certain areas will get the toll roads while others get the “free” roads, and that roads adjoining toll roads will suffer. These problems can be solved by establishing objective criteria to determine which roads are tolled. Only new projects that meet objective feasibility criteria should become toll roads.

Rethink how we price roads

The value of a road is much greater during heavy congestion than during low congestion; however, the motor fuel tax (how we currently pay for most roads) does not recognize this change in value. In many ways, sitting in traffic carries an exorbitant but uncaptured price. To encourage the most efficient use of our existing road capacity, Georgia needs to implement congestion pricing on highly congested roads.

Congestion pricing follows the basic economic concept that higher prices reduce demand. Higher user charges for roads during peak travel periods will encourage some diversion of vehicle travel to less congested periods. This concept has been applied in several areas by converting HOV lanes to HOT (High Occupancy Toll) lanes. If HOV lanes are underutilized, converting to an HOT lane allows that excess capacity to be used by other vehicles for a fee.

To be considered a good performer, says transportation expert Robert Poole, an HOV lane needs to carry about 950 vehicles per hour. Despite huge expenditures on HOV lanes, buses and other transportation alternatives, transit's market share and carpooling have declined. Georgia Department of Transportation counts showed in 2003 that the metro area's busiest HOV lanes – north- and southbound I-75/85 at 14th Street – average 582 cars per hour, compared with the 12 general-use lanes that each average 1,205 cars per hour.¹⁸

Atlanta's busiest HOV lanes, in other words, average just 41 percent of the traffic of a general-use lane. And on I-75 northbound (one of the least-used HOV lanes), it's not uncommon for drivers to risk a \$75 fine during the evening rush hour to ride in the underutilized HOV lane.

In 2004, the General Assembly authorized the Department of Transportation and the State Road and Tollway Authority to "to implement high occupancy toll (HOT) lanes where appropriate in qualifying HOV lanes." SB 489 adds that "The department may design and develop a system of HOT lanes which uses value pricing and lane management." Lane management refers to restricting HOT lane access based on objectives such as occupancy or vehicle type.

The toll for HOT lanes may vary based upon congestion levels, to maintain the free flow of traffic. Despite criticism of these "Lexus lanes," HOT lanes are in fact used by a diverse group of users. Demographic studies on existing HOT lanes show similar income characteristics of those using HOT lanes and those in the regular lanes. For example, hourly wage workers lose money every minute they are sitting in traffic, and parents are eager to avoid stiff late fees at day care centers. A 2001 San Diego study found both users and non-users of the dynamically priced HOT lanes on I-15 strongly support the use of pricing. Support is high across all income groups, with the lowest income group expressing stronger support than the highest income group (80 percent vs. 70 percent).¹⁹

Plan for increased capacity in growing urban areas

One of the primary reasons for the traffic gridlock in metro Atlanta is the poorly functioning arterial road network. For instance, even though Atlanta's traffic congestion is fifth worst in the nation, traffic density (traffic volume per square mile) is below average. However, its poor arterial road network causes overuse of freeways for local trips and does not allow for alternate routes around accidents and traffic jams.

Much of the reason for this congestion is Atlanta's failure to plan for growth by designing and building an effective grid of arterial roads. Areas around the state that are not fully developed can learn from Atlanta's lesson and plan for a functional arterial road system. Adding capacity can be as simple as adding turn lanes or adding shoulders so that transit buses do not hold up traffic at stops.

Community opposition sometimes thwarts efforts to add needed capacity. Other options to increase efficiency on existing roads include improving traffic signal coordination, reducing the effect of vehicle crashes and

breakdowns, introducing changeable lane assignments and improving intersection designs.

Relieve congestion by expediting truck traffic

Truck traffic has a significant and growing impact on traffic congestion. Although the largest trucking companies have highly sophisticated communications and navigation equipment and support that allows them to avoid most traffic congestion and operate efficiently, the remaining small trucking companies, particularly independent truckers, lack this advantage and often contribute to and are adversely affected by traffic congestion.

In an industry where just-in-time delivery dominates, an irresponsible truck driver racing to meet a requested delivery window can initiate a deadly interstate wreck that backs up traffic and shuts down roads for hours. The Department of Motor Vehicle Safety is tasked with oversight of trucks but lacks the ability to monitor speeding trucks. DMVS vehicles must be equipped with speed detecting equipment, which not only will enable officers to cite speeding truckers but act as a deterrent to promote safe driving and traffic flow. In 2002, large trucks accounted for 9.29 percent of the vehicles in Georgia's fatal crashes although they represented 3.35 percent of the vehicles in crashes. (It's worth noting that passenger vehicles are at fault in 75 percent of crashes involving trucks.)

Between 1980 and 2000, vehicle miles traveled on the U.S. highway system grew 80 percent while lane-miles grew 4 percent. Through 2020, total VMT are expected to increase by 2.5 percent per year, while truck VMT are expected to grow by more than 3 percent.

One Georgia possibility to expedite truck traffic is toll-financed truck freeways. When the Reason Public Policy Institute asked trucking companies to propose routes on which they would consider paying tolls in order to operate long double and triple tractor-trailers, the companies came up with 17 possible routes.²⁰ One of Reason's tollway recommendations after analysis was the I-75 corridor from the Ohio Turnpike near Toledo south through Cincinnati, central Kentucky and Tennessee, and Atlanta to the northern end of Florida's Turnpike and Tampa. Reason predicts it would be "a major north-south trucking route of high efficiency and safety." Georgia should explore this option.

Encouraging truck drivers to stay out of rush-hour traffic in urban areas will help reduce congestion. It can be accomplished by discounting prices at truck stops outside congested areas and updating technology to inform truckers at truck stops or in their vehicles of traffic conditions and alternate routes. Since truckers dislike traffic as much as individuals do, simply finding a way to better inform truckers about traffic conditions could make a substantial difference.

Encourage types of transit that are competitive with automobiles

Transit should be a part of any transportation plan. Transit is important for many reasons, primarily to provide transportation alternatives to citizens unable or unwilling to drive. Transit can benefit the local economy by broadening access to job opportunities for citizens and to employees for businesses.

For transit to draw motorists out of their cars, however, it must compete effectively with the automobile: It must be cost-effective, comfortable, convenient and time-sensitive service. As a 2004 Metro Atlanta Chamber of Commerce survey found, as many as two-thirds of metro Atlanta commuters would consider taking transit at least some of the time – if it were fast, easy and inexpensive.²¹

Systems that do not compete effectively with automobiles will not attract discretionary riders (those who own cars) and will not be successful.

Time is the most important transit variable, as the chamber's survey respondents reiterated. Transit must

provide a trip time that is competitive with the automobile. Studies have shown that riders particularly dislike time spent waiting, so frequency of service is also crucial.

Convenience is also critical. Discretionary riders resist multiple transfers and long walks to stations and from stations to final destinations. In the wake of the deadly terrorist attacks on airplanes in the United States on Sept. 11, 2001, and train bombings in Spain in March 2004, security has become a growing mass transportation challenge, inconveniencing and delaying travelers. Delays at security checkpoints and fears of new attacks prompt more Americans to use their automobiles when commuting or traveling short distances.

Transit must provide a broad network in order to compete with the freedom of automobiles. As with other networks such as the Internet, the value of a transit network improves exponentially as the nodes on the network expand. For example, a fax machine or Internet connection is of little value when the network is small, but becomes more valuable as the number of users grow. Likewise, transit cannot be most effective unless it offers convenient access to the majority of destinations in the region.

What types of transit approach these criteria?

Flex-trolley / bus rapid transit

Traditional train-type transit can be very effective in the downtown areas of certain cities. London, Paris, Tokyo and New York City fit this description. In these densely populated cities, rail-based transit provides a high-capacity, convenient transit solution that makes up for its high capital cost. Atlanta travel patterns, as in many cities, represent a spider-web type pattern, better described as “everywhere to everywhere” travel, which does not lend itself well to traditional light rail or heavy rail solutions.

The governor and other policy-makers have embraced Flex-Trolley, or Bus Rapid Transit, which combines the cost-effectiveness and flexibility of buses with the efficiency and customer appeal of trains. These systems utilize rubber-tired vehicles that offer amenities similar to and look very much like light rail vehicles. Stations are more robust than traditional bus stops and offer pre-payment to speed up boarding. The vehicles can operate in various modes. On regular streets, signal pre-emption limits the number of stops at intersections. HOV lanes, and sometimes emergency lanes, are used on freeways to shorten trip times. And in highly congested corridors, exclusive busways separate the buses from all other traffic to eliminate congestion-related delays.

The exclusive busways built for bus rapid transit provide further options for improvements. In addition to being used by emergency vehicles, any excess capacity not utilized by the flex-trolley vehicles could be used for other high-occupancy vehicles such as shuttle vans or van pools. In addition, the busways can serve as a “placeholder” for future rail transit lines if future population densities or technologies make that feasible.

The greatest benefit of a flex-trolley system is its low cost. It can be built and operated for about one-fifth the cost of light rail systems. This means that a metro-wide network could be established in very little time for the same amount of money that would only fund a limited light rail system. In addition, if growth patterns shift after the flex trolley system is deployed, it has the flexibility to adapt to the growth. The biggest challenge will be finding the right aesthetic and service characteristics that will overcome the stigma attached to “riding the bus.”

Deregulate the urban transit market to improve service and choice

The percentage of Americans using public transportation declined between 1990 and 2000, according to the U.S. Census Bureau. In Georgia, 2.3 percent of workers used public transportation in 2001, compared to 4.7 percent nationwide. In the 10-county metro Atlanta region, 4.2 percent of commuters used public transportation in 2000, compared with 5.2 percent in 1990. The metro area’s number of solo drivers dropped from 78.2

percent in 1990 to 76.4 percent in 2000, while carpooling, which was at 12 percent of commuters in 1990, climbed to 13.4 percent in 2000. Bus commuters declined from 3.9 percent in 1990 to 2.8 percent in 2000.

The most intriguing census estimate, however, is the increase in taxicab use in the metro Atlanta area from 1990 to 2000. While still just a small fraction of the metro area's public transportation pie, the number of taxicab commuters increased 122.1 percent to 0.2 percent of workers in the metro region.²²

Large transit agencies, such as MARTA, have their role; however, smaller, private transit providers clearly are becoming increasingly crucial to completing the transit network by filling in, serving customers, locations and schedules that make less sense economically for larger agencies. Unfortunately, the supply of these transit services has been severely limited by outdated and protectionist regulations.

Georgia cities should embrace flexibility shown in some cities to broaden transit networks:

- In Las Vegas, restrictive licensing requirements for limousines were struck down and a district court ruled that "the right to earn a living in one's chosen profession is a liberty interest protected by the due process clauses of both the U.S. and Nevada constitutions."
- Jitney vans, which operate on fixed routes as well as on call like taxis, provide much-needed low-cost, speedy and efficient service to low-income communities. However, these services, which often operate informally, are heavily regulated, from restrictions on the number of licenses issued to high fees. They also are often prohibited from operating on existing city bus routes or picking up someone who hails them from the street.
- In Colorado, the state Legislature enacted a law in 1994 to allow, for the first time, new entrants into the Denver taxicab market.

Atlanta's taxicab industry is already heavily regulated from a free-enterprise standpoint. The city requires a \$6,000 certificate of public necessity and convenience for each cab, renewed annually for \$100; sets vehicle minimum weight and age (2,000 pounds and no older than 6 years), dress code requirements and "ambassador" driver training. In 2004, City Council members continued efforts to tighten permit requirements for the 1,600 cab, limo and van drivers in Atlanta, based on citations. City ordinance prohibits drivers from changing companies more than once a year and requires that a company notify the city of such changes within three days. Cab drivers from outside Atlanta may not solicit passengers in city limits without a city-issued permit.

In February 2003, the DeKalb County Police Department created a two-person Taxi Wrecker Bureau to inspect taxis operating in the county. It wrote 397 citations from June through September, the Atlanta Journal-Constitution reported, with drivers complaining of being stopped several times a day.²³

To the extent that public transit is subsidized by government, which then places burdensome restrictions on other services, private vehicles for hire are unable to compete on an equal footing for urban passengers. Government must refrain from excessive regulation that hinders private sector competition.

The General Assembly could also help free up funding for transit services by making existing grants more flexible. For example, existing Medicaid and welfare funds are available for transit, but a vehicle providing services to these clients is often not allowed to provide services to other customers, even if picking up these customers would not significantly lengthen the trip time by picking up riders on their existing route, or by providing transit on their way to and from existing clients when their vehicles are empty.

Utilize competitive contracting to reduce costs

Around the world, major transit systems have been and are being converted to competitive contracting, under which the transit agency maintains full policy control of the system, while awarding limited-time contracts for the operation of routes or segments of the system. Fares, route alignments, timetables and service standards

are established by the transit agency, which administers contracts to ensure that adequate performance is achieved.

Both bus and rail service have been competitively contracted. In such cases, the transit system remains an integrated whole, and commuters remain largely unaware that the system is operated by multiple operators. Cobb County's bus transit system is competitively contracted. In fiscal 2002, Cobb Community Transit's operating expense per revenue vehicle hour was \$84.86 and MARTA's was \$102.41, a 20.7 percent difference.²⁴

Reduce the role of the federal government in the funding equation

The federal tax on gasoline is 18.4 cents a gallon, 24.4 cents for diesel, of which 2.86 cents go to the "Mass Transit Account." The tax is the main source of funding for the Federal Highway Trust Fund, established in 1956 to build the interstate highway system. Now that the interstate system is largely complete, highways and other transportation solutions can best be decided and resolved regionally and locally. The continued tax collection by the federal government is inefficient, unfair and no longer needed; it has also become a weapon wielded by Congress, which has the ability to divert highway funds to the General Fund or withhold them to enforce regulations.

Georgia is among 25 states that receive back less than 100 percent of the federal gas tax dollars they send to Washington. The 1998 Transportation Equity Act (TEA-21) guaranteed that for a portion of the transportation programs, each state would get back a share equal to at least 90.5 percent of its contribution. When all programs are considered, however, many states receive a rate of return less than 90.5 percent. For fiscal years 1998-2003, Georgia contributed 3.93 percent of the total, or \$6.726 billion.²⁵ The state got back 3.35 percent, or \$6.059 billion, nearly \$700 million less than its contribution, which equaled a return rate of 85 percent. In the Mass Transit Account, Georgia fares even worse. Georgia has received mass transit funding at 67 percent of the rate in which it paid into the Mass Transit Account during the life of TEA-21.²⁶

With federal funds meeting up to 90 percent of the cost of the projects they support, the potential for abuse and misuse is high. States tend to inflate requests with expensive, ambitious projects that have little relevance to consumer demand.

Congressional efforts to implement a higher guaranteed rate of return have been resisted by lawmakers from recipient states, those that receive more than they pay into the fund. While acknowledging the need to aid less-populated states, Georgia lawmakers and policy-makers must intensify their campaign for a higher guaranteed rate of return in the federal funding formula.

Georgia lawmakers in Congress must also work toward abolishing the Federal Highway Trust Fund altogether and returning highway financing powers to the states, which can then work independently to develop customized congestion solutions with flexibility.

Use objective criteria in choosing commuter and intercity passenger rail routes

Increasing highway and airport congestion, along with security delays in the wake of terrorist attacks, have heightened interest in rail travel. The Southeastern Economic Alliance, a coalition of 14 chambers of commerce across six states including Georgia, has been formed with the goal of rapid implementation of safe and reliable high-speed passenger rail service across the Southeast. Georgia is also exploring intercity and commuter rail service, beginning with service between Atlanta and Lovejoy.²⁷

Two factors are important in evaluating rail proposals:

1. Passenger rail must not disrupt freight operations. Compromising the efficiency of the freight network would put rail at a competitive disadvantage to trucks. Increasing truck traffic on an already-congested highway system would be an unwise policy.
2. In order to attract enough riders to justify its cost, passenger rail must offer competitive trip times. Based on extensive surveys by the Georgia Department of Transportation, “intercity travelers would be willing to use intercity rail service in significant numbers only if it were as fast or faster than the automobile, implying a trip of average speed of 70-75 mph or higher. In order to reach these average speeds, top train speeds must generally be above 100 mph.”

By leveraging federal funding, some rail corridors may make sense if these two criteria are met. Absent federal funding, the cost per passenger mile of providing passenger rail is unlikely to compete with the cost per passenger mile of providing additional road capacity.

According to a 2002 study reported in the Journal of the American Planning Association, costs are underestimated in nine out of 10 transportation infrastructure projects. For rail projects, actual costs are on average 45 percent higher than estimated costs. “The key policy implication for this consequential and highly expensive field of public policy is that those legislators, administrators, bankers, media representatives and members of the public who value honest numbers should not trust the cost estimates presented by infrastructure promoters and forecasters,” the authors warn.

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