

## **Stakeholder Perspectives Panel**

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**DARRIN ROTH, Panelist**

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**ANNE O'RYAN, Panelist**

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**MICHAEL REPLOGLE, Panelist**

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**Jack Basso**

I appreciate the opportunity to be here today. One thing that is true is that nothing focuses on financing like bankruptcy, which is what the Highway Trust Fund is experiencing today. We are running out of money. This year it's questionable whether we'll get through. The next year is completely clear: the best case scenario according to congressional budget offices is that we'd be \$4 billion in the hole and need a \$16 billion cut. We do the same numbers and look at some different variables, and we get a cut that looks more like \$20 to \$21 billion, or about 50 percent of the program. So there is no disagreement we have a big revenue shortfall in fiscal year 2010. The program is expiring. We have some interesting opportunities before us. I want to talk about vehicle miles traveled (VMT) and collection systems and things that we are doing at AASHTO.

I think we have to set the stage. I want to establish objectives for this session, the nutshell of authorization challenges. First, how much funding is needed? We have about 40 to 45 percent of the investment levels we need and have. The next question is a critical question, for what are we going to put this investment into if we had it? There are a lot of different opinions on what the investment should be put into, but I think as a general matter the agreement is that surface transportation is what is needed, and it needs to be enhanced for a lot of reasons, running from congestion reduction to climate change environmental issues to just good service to the public. One thing that is not completely clear is, "What is the federal role for the future?" How do we generate the necessary

revenue? There is good and bad news. The good news—the administration clearly gives high priority to infrastructure investment. The president took his third trip to the United States Department of Transportation (USDOT) this year, which is way more than any other president in recent history. His focus is clearly on infrastructure. I can tell you, being a member of the transition team; the focus was definitely on infrastructure investment.

The authorization process is underway. We do have excellent congressional leadership. I already mentioned the bad news is that the Highway Trust Fund (HTF) is broke. There is no support in Washington for increasing user fees and gas taxes. There are many competing goals at the national level that need to be reconciled if we are going to be successful. I'll mention some things on behalf of AASHTO. We do recognize reality, and the reality is that we need to restructure the current programs we have, and in order to do that we need to focus on preservation and renewal, expanded freight (which is a critical part of our economic activity), safety improvement programs, operations and management, congestion-reduction programs, and environmental programs including air quality and climate-change initiatives. What we proposed to do in AASHTO was to create a \$545 billion, six-year program. Now, current revenue will pay for maybe less than half of that if we had to go forward. The \$545 billion would break down to \$370 billion for highway programs to address the objectives I just mentioned, with somewhere in the neighborhood of \$93 billion for transit, perhaps a little more, and intercity passenger rail and high-speed rail getting about \$35 billion. With regard to train programs we look at a combination of things: a formula to new programs and \$40 to 42 billion for freight. We looked at those things to be important elements of what we do, and as we go forward, again the question becomes, "How do you pay for that?"

What is AASHTO's, as a stakeholder, view of what to do about that issue? We think, we have said consistently for the last two years, that in the long term a vehicle miles traveled type of billing is the future. I will tell you what has changed in these two to two and a half years is our assumption about how soon that needs to come to pass. That is the question. When we issued the report about two years ago, we thought we were dealing with something about 15 years out in terms of the practicality of making it happen. The work we did in October when we issued our policy statements concluded that we can't wait 15 years. We need to speed this up considerably and probably be ready to go in the next re-authorization. Six years from now we better know what we are going to do and do it. If you ask me, today, I say we need some interim measures of various types. One of the things we have on the way—Jim and others here are on a study panel where we are doing a very accelerated national research program about what could we be doing in the short term nationally. We are expecting to have a draft report by the end of May. That would yield some immediate information to what we could do about it. We should also credit Jim Witty and the Oregon folks for what they've done: tremendous work on these areas and having created the dialogue across the country. There is a lot of interest in the White House in this particular area, although you hear that they say no gas tax increase and no VMT, but we are going to do this program and that program.

I do think that in AASHTO, in the immediacy of things, we have three choices for financing this bill. The first is to do nothing. I gave that scenario. The programs would shrink dramatically and inflation is shrinking them everyday. The second is to do what the national infrastructure financing commission suggests, and this is an interesting group.

I think I can summarize in four ways: The first is \$545 billion for programs, what we think we need over six years. People would disagree; people would see more, see less, but it's a rational investment proposal across all the services for motorists. Secondly, we could steal money from the general fund, but there are consequences of doing that which are unforeseen, because there is no money there. Third, we think that this short-term study may yield us some information and allow us to say to Congress, "There are some things you could do on a stopgap basis that deal with VMT fees," and you need to do effective pilots in the course of this re-authorization. So when we get to the end of it we know exactly what we need to do and how we can work best. Oregon has already set the stage; the University of Iowa has work underway also. We need to go very serious and specific so that we know where we are going, and AASHTO clearly supports that.

Fourth, failure is not an option. Why should we care? Three good reasons. First, because of international competitiveness we need to be on the front end on this issue. Second is for reasons of congestion relief and quality of climate. You can reduce VMT and probably should, but it won't by itself fix what needs to be fixed. Third, simply put, our systems, for example our interstate systems, are 55 years old. We have done what people do with their houses: "I'll fix it next year." Well, it has been 20 years since we've been under-investing, and next year we have major investments we need to make in those areas.

AASHTO fully supports a VMT-type system to be able to finance in the long-term future. Secondly, the answer to questions I have gotten—the "what" is where you put the system; the "how" is how you adapt with the states, how you make it work as an integrated system; and the "why" is international competitiveness, safety, infrastructure, maintenance, systems that are integrated including passenger rail and transit. These things need to be invested in, and the national purpose of all of this is that we have a population of about 300 million people that will grow by 100 million more over the next 10 to 15 years. This is 400 million people's future.

### **Darrin Roth**

This is an important issue for our members and for our industry. I am sure that this is the first of many. I appreciate the opportunity to be here.

I will start by repeating something we heard yesterday, which is that the fuel efficiency of passenger vehicles will improve significantly, in part because federal law mandates it. Many accept that this will then be replaced by new technologies. How long will this evolution take? Ten to thirty years? The question is whether heavy-duty trucks will convert to alternative fuels or will they get significantly more fuel efficient in the future.

We are actually going backwards on that count, actually getting less efficient. The alternative fuels are not something that manufacturers are looking at seriously (at least for long-distance trucks). Without a renewable or supplemental source of revenue for highways, heavy truck operators will pay an increasingly higher percentage of user fees. In fact, over the past 10 years heavy trucks' fuel consumption increased about 40 percent and cost consumption has gone up 6 percent, even though VMT increased by only 5 percent. It is in the trucking industry's best interest to look at other tax alternatives. The problem is not trucks. We can use diesel for a long time and we aren't going to be a detriment to the future of the highway trust fund. Is the VMT fee the best alternative? From the trucking industry perspective, particularly if the fee is imposed in trucks, there are many questions that need to be answered before we can support it.

I think we all agree that mileage fees will be more expensive to administer than the fuel tax. There are also going to be some collection issues and some evasion issues. The fuel tax has very low evasion rates, and evasion for a VMT fee will be much higher. The trucking industry has some experience in this regard. Whenever fees are imposed on individuals trucks, like weight-distance fees, etc., we have encountered a very significant evasion: up to 50 percent. You have to look at the VMT fee as basically that kind of tax. Whether or not there are technologies involved, we are talking about something that is going to be imposed on hundreds of millions of individual taxpayers.

In order to make up for lower-than-expected revenues, rates for honest taxpayers will have to be increased. Once the physical system is in place to collect satellite-based fees, any number of state or local agencies and other jurisdictions can piggyback and impose their own fees. This is especially problematic for the trucking industry. Without centralized billing, a single large truck company could potentially be faced with the prospect of maintaining accounts with hundred of jurisdictions for thousands of trucks. And there are a number of factors which the government could introduce to the fee, such as pricing based on time of day, geographic location, traffic conditions and vehicle equipment. If multiple jurisdictions adjust the fee according to these factors, it would be impossible for trucking companies to calculate their cost for a particular route. The cost could be influenced by thousands of different factors, some of which will actually change on route. So how can carriers estimate the cost to a customer for delivery, not knowing, within reasonable range, what the cost would be? This is a significant challenge for carriers.

There is the possibility of charging trucks based on actual registered weight so as to recover cost of infrastructure. There are systems available which could measure vehicle weight and theoretically adjust fees accordingly. Keep in mind this technology has system costs, and increases the opportunity for evasion and malfunction, and adds a complicated factor to what it is already a complicated system.

Congestion pricing is sort of the killer application of the satellite-based mileage fees. If all you want to do is to collect money, there are a lot less expensive, simpler, and less evasive ways to do that. I think congestion pricing will be a pretty significant part of the pricing, at least in terms of congestion, so this is an important consideration. I understand

the theory behind pricing: if you charge high enough you can reduce demand. The question is, “What is the price necessary to affect change and congestion?” Different studies say different things. Twenty cents per mile is what the USDOT study says is the rate which impacts demand. The average per car is 20 cents per mile, and this comes out to an equivalent of \$4.44 per gallon in fuel tax for the average passenger vehicle. I am guessing there is not going to be a lot of enthusiasm by Congress or any elected body to endorse that kind of increase. I think we have to be very careful when doing cost benefit analysis on VMT fees. We need to consider whether we should be including pricing and congestion reduction in that cost benefit analysis. It is a major assumption that we will actually be able to set a high enough rate to affect congestion.

Another concern is, “Would the revenue generated by a VMT fee actually be used for transportation?” It is going to be very tempting for a state to look at this and say, “This would be a great way to balance my budget.” That is a major concern.

The effect of mileage fees on federal preemption—the federal government has some control over the state’s ability to restrict the routes on which trucks can operate and on state requirements with regards to the truck equipment. It will be very difficult to have a viable, in-state trucking industry without these controls. But by charging a high fee for traveling on certain roads or having certain equipment on the truck, governments could effectively usurp federal preemption. This is a major concern for us.

Similar issues involve discriminatory pricing. Tracking vehicles with global positioning system (GPS) would allow governments to determine the origin and destination of vehicles on specific routes. This would allow these governments to identify segments with a high percentage of travelers with an origin and destination outside the boundaries of their jurisdictions. The government agencies can then increase rates on these segments, thus generating income from drivers with little or no political influence within that jurisdiction.

As you can tell, ATA is very concerned about the implications of mileage-based fees for our industry. We continue to believe that the fuel tax is the best source of revenue for highway funding. We are open to considering alternatives. We are not really sure yet what we are going to encounter once we get there. We need to take a step back, consider all of these issues, determine whether they can be resolved, and determine whether VMT fees are really the way to go in terms of replacing the fuel tax.

Thank you very much.

**Anne O’Ryan**

How are we going to finance transportation? Can we move ahead and really break free of some of the stranglehold that we have faced with just trying to move ahead at all? With increasing taxes, what are they going to be used for? It is complicated. And on top of that, as everyone knows, we have had such economic problems nationally. So when we have looked at some of these issues, and all of us in this room have agreed that the

transportation needs are very high and the Highway Fund is going broke, this is a critical, crucial place right now. A lot of the general public doesn't have the same focus as we do. A lot of the focus out there is jobs because people are losing their jobs. We are at this crucial place, a place in time with crisis and opportunity, in transportation, in the economy, in the world where the US stature is. There are so many things on the plate to consider: getting transportation folks in front of the country, in front of Americans, so that they understand that this is crucial, so that we don't need another bridge collapse for people to really focus on this and realize that it is an important issue.

AAA nationally has done some surveys. It is kind of interesting to look at that to see where they place things. Transportation needs were not number one; economy was right up there as number one. I do agree with a lot of what we have heard so far this morning. But I want to share some of the things that we found with some of the polling. Actually, like many things, nobody wants to pay more taxes. Everybody wants everything for free, but, unfortunately, it doesn't work that way. What we found was what people are least opposed to and what they most agree to as far as different types of taxation. It seems that what people are least opposed to in the polling we have done—tolling new constructions, using tolling for purposes that people can see, that are going to add benefit to them, that are something in addition to what they already have. We also saw, when we look at the other side, what they most supported would be increasing gas taxes, second to new construction tolling. One of the things that they least supported, and probably least understand, is VMT. A lot of people don't really understand it. I think that a lot of people have not really heard enough about it yet. There has to be a massive education program, a really sincere education program that talks about what the needs are, what is realistic out there and whether or not, when we look at VMT tax, this is a replacement tax. Is it going to be essentially to construct and maintain the roads, to maintain some of our greater transportation systems, or is it going to go forward? Should it go further? These are discussions that we really need to have with the American public out there. Is it going to be used to reduce congestion? Should it be used for pollution?

One of the things the late chairman of the Texas Transportation Commission, Chairman Ric Williamson, started talking about—and I found it very interesting to see this kind of discussion begin in Texas—was the idea of the pollution tax for driving through the city of Austin, for example, if you are taking I-35. It is probably one of the busiest roadways for trucking in the whole state. Should the region be able to tax for that burden on air quality? What is fair? That is certainly a huge discussion issue that has to be initiated with the general public about what is fair for the general public.

We've all heard the saying that perception is reality. The same is true about how the tax is currently being spent. Do they see how their dollars are being spent and trust how it is being spent? We have diversion problems in the Highway Trust Fund even though it is set up for transportation. It all depends on how far you stretch the definition of what is related to transportation. But once again, is there trust that the money brought in will actually be used for the purposes intended? I think the bottom line is that people need to be able to be brought along with some of these changes. They really need to see that there is some kind of incentive, benefit, and that they still have choices. Choices are the

foundation to the American way. Whether we live in new houses in suburbs or downtown, these are all choices which give us our American Dream. Looking at how they do things in Europe versus how they do things here—are things being done in Europe really transferable to the US? It seems like the American Dream has been built on individualism rather than looking at things as a society, as whether or not something benefits society. What we are talking about doing with VMT taxes, and possibly using them for congestion control and pollution mitigation, is really something that has to do with societal benefit. How will we get there? This is an individualism kind of dream we have here in the U.S., it's not necessarily about what is good for society. We need to start immediately with reaching out to the public, beginning those discussions. Don't expect them to come into us; we need to go to them. The Trans Texas Corridor advisory committee is an example. There had been a lot of discussion internally but not nearly enough discussion about how that would benefit the driving public. The information vacuum meant that many misconceptions got out there, a lot of conspiracy theories. It seems more important that we move ahead and fill that vacuum as quickly as possible and as many different ways as we can.

AAA agrees that given what is going on, given the hybrid vehicles, the technology, we will need to move away from what we have today. For the last 20 to 30 years there has been significant disinvestment in highways, in transportation. There should have been increases in our gas taxes all along. We need to work on the long-term track as moving ahead with VMT. How are we going to form it? How is it going to be shaped and defined? And also in the short term, move ahead with increasing the gas tax. In the session in the capitol, we have been talking about indexing the gas tax. Political will is not always there to increase the gas tax in every session. Increase the gas tax to at least try to keep up with some of the needs we have out there. AAA wants to work with all of you on how we move forward. We think that there are very important policy decisions that need to be made. Talk to our members about VMT, about alternatives that are out there, given the technology changing and the need to find other ways to support our transportation system, and our multi-modal transportation system as well. Thank you.

### **Michael Replegle**

Some of you will be wondering why someone from an environmental group is in a conference of VMT fees. Frankly, it's because it is a growing environmental imperative that we look at how to better manage our transportation, improving mobility while reducing the environmental footprint of the system. The only way to do that is to get better operational control of the system, and VMT fees better measure, monitor and value how we operate our transportation system, specifically our roads, in real time, so that we can 1) deliver better service to the customer, and 2) manage our loads in the network. If we managed our roads the way we manage our electrical utilities, we'd have brown-outs and complete power failures in many places a couple times a day. We don't accept that from our electrical companies, and we shouldn't accept that in the 21<sup>st</sup> century from our road operators. But we still do today because the public doesn't understand that it has to put up with traffic congestion as a chronic and growing problem of their daily lives. It interferes with their daily lives, it interferes with what they get to do, interferes with the

dependability of the services they get, indeed blocks them from having access to choices and opportunities.

Back to the environmental imperative. If you look at climate change there are no longer any serious debates about global warming. The pace that the change is occurring is happening much faster than what scientists have said in their previous assessments. In terms of the melting of the Greenland ice sheets, the whole Arctic Ocean is most likely to be free of sea ice by 2035, at current rates. We don't know how exactly this is going to affect the global climate. We are likely facing the largest extinction of species. We can take action to modify our future so that our children and grandchildren do enjoy a viable planet to live on. We need to take action in the next five years to begin to slow the rate of carbon dioxide (CO<sub>2</sub>) emissions. VMT fees are going to be a key tool that the transportation sector will use to help respond to the greenhouse challenge. This is something we also need to help make the US more economically competitive to restore our leadership. Singapore can be a model; they are competing successfully with us for some of the brightest minds in biotechnology, in part because their transportation system works so well and ours doesn't work nearly as well as it used to. They have congestion pricing and time-varying charges. There are over 70 charging points across the cities, arterial or motor way networks. Charges vary based on what it takes to keep the traffic free flowing at least 85 percent of the time. In fact, there is a large public debate that goes on in the press about how the city transportation policy and development plans operate. There is responsiveness of the government to public opinion. We need to learn more from Singapore as well as Stockholm and Germany. They offer ways to manage transportation too. Better choices and better performance must come with road user charges. The public is rightfully skeptical that new road user charges will simply be a new tax and that they won't get anything more for their money.

Frankly, the American Dream has hit the wall. The time to consider this new paradigm approach of how we manage and operate transportation is quite urgent. Time-distance-place-based road user charging can be terrific for the environment if it used to manage demand, to expand choices, and if the fee is based on the initial rates of the fuel efficiency of the vehicle. VMT has dropped 5 percent nationally due to fuel prices and now the soft economy, and also some demographic forces that have been occurring in the background. That 5 percent drop in VMT has led to a 20 percent or more reduction in delay in many corridors. There is a telematics firm that shows in 300,000 locations how the delay has changed. This also increases the greenhouse gas efficiency of our road networks by minimizing fuel consumption and also while managing traffic. If we use VMT fees simply to raise more money, to build more roads faster, and introduce a flat rate fee, it is not going to be good for the environment. A Prius paying the same as a Hummer is not the way to go. Expanding roads at this point should be the last resort, not a first resort. We need to secure our economy, not build more roads. To what degree can we hold our transportation plans accountable to addressing greenhouse gas goals? Can we, in fact, have transportation make a proportional reduction in emissions through the four legs of the stool we talked about, increasing vehicle efficiency, reducing carbon content, greater greenhouse gas network efficiency, and reduced VMT? I think we can and we should. One of the greatest challenges and barriers for transitioning from a fuel

tax to a VMT fee, I think, is not public support in increasing the gas tax. Due to lack of trust, there is a lack of understanding of how transportation gets paid today. We have a large job to do to educate the public about how transportation is paid for and how we are managing in response to getting a payment. There is a concern over a lack of transportation choices. Polling data consistently shows that when people are asked, “Where do you want to see more transportation money spent?” they would like to see more money spent on public transportation to expand travel choices for them, for their families and communities. They see roads as something we need to pay attention to, but a minority of the public sees building new roads as a way to address traffic problems. There is a fear of being tracked by the government with this whole VMT thing. I think we need to adopt some very strong privacy laws so that the public can trust their data will be protected. We can still find ways of having voluntary consent for certain kinds of programs that depend on information about location.

There is a fear about getting hit with new taxes without better services. So what might the transition look like to VMT fees? What steps should we take next? I think we need to pursue voluntary initiatives like pay-as-you-drive insurance, pay-by-the minute parking, the safety services that come with the 911 phone call when your air bag goes off. There are a lot of things that are coming in the intelligent transportation system (ITS) telematics arena that we can use to help consumers voluntarily adopt the same technologies that will support automated tolling and time-of-day pricing. We need to be taking as much action as possible to remove the barriers to those strategies, things like getting rid of state insurance regulations. Many states have seasoning laws that require insurance providers to be in business and wait 30 years before they can write policies. These are anticompetitive measures that stand in the way of market innovations. We need to be getting more tax credits, federal tax credits for insurance companies to offer pay-as-you-drive or mileage-based policies. We need mandates for state insurance regulations to reform their rules, more evaluation of the effectiveness of pay-as-you-drive insurance, more education of consumers and companies about these benefits. And ultimately it should be made mandatory that pay-as-you-drive policies be available in all 50 states because it can help us solve environmental problems and manage transportation with fewer problems of congestion.

We also need federal pilot program funding and encouragement for rapid deployment of pay-by-the-minute parking technology and parking cash out, and strong federal promotion and funding for other travel demand management strategies. These all lay a foundation for moving towards road user charges. ITS needs new requirements to minimize greenhouse gas (GHG) emissions and new federal and state-funded pilot projects to reduce VMT. We need to create a new federal commission that creates a roadmap for the next two years for VMT standards and deployment for the next five to seven years with scalable deployment through federal pilot programs. We need multiple service providers to be at the heart of providing these services in terms of how the telecommunications are handled, how the cash management and billing is handled, and how the technology is provided. There has to be competition in the marketplace so that there is an understanding that this is not the big hand of government coming in, tracking

you, but, in fact, this is just like your cell phone, and, in fact, your cell phone company will probably be one of the service providers.

To deal with the concern of the trucking industry, I think road user charges should be passed to shippers though bills of labor so that the trucker himself doesn't pay the charge but, in fact, is transparently passed through the shipper, who can get more dependable shipment service.

In conclusion, I think we need to be working much more with our global partners like the Organization for Economic Cooperation and Development (OECD) in the European Union and places like Singapore that have a lot more experience than us in dealing with some of these questions. We should be working on learning from experience, like the procurement that is going on right now in the European Union (EU) for these services. Thanks.

## ***Questions & Discussion***

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*1. Do you think the administration is interested in infrastructure for the sake of infrastructure or for the sake of the problem with the economy? Does the incoming administration have a grasp of the immediate needs of the economy or a longer view?*

*Jack Basso answers:*

The longer view is the focus of the administration. It is also recognized that the reason for doing that was not simply to do something in the short run but also for long-term benefits. An example is the \$8.5 billion stimulus for high-speed rail, which nobody saw coming. The administration has a long view, and also there is an immediate view of crisis.

*2. It is clear that we have a big problem facing us. I think Jack presented that very clearly. VMT fees are not well liked by the public, and some groups, like the trucking industry, aren't convinced that this is the way to go yet. How do we carry on a dialogue about this issue? Congress is starting to work on a bill, so it has to happen soon. What are some of the key things that need to happen?*

*Jack Basso answers:*

The public is made up of pretty smart people. When we reduce the message to something that is logical and we lay out a benefit, particularly localized benefits, we get a lot of support. I will take issue with Michael that the polls say that people are opposed to VMT fees. They are against wasting money on things that are nonsense. Lay out the benefits of a total plan projection system, not just highways, not just transit, but a total system. Secondly, with regard to VMT and other things, what do we get for this? What is the simplicity of the system? Make it such that we do have protections of privacy. Entities know exactly where you went and when, and the timeframe you were there. This is not

news that people know where you are. Information is available—it just needs to be protected. It is not just about roads, not just about freight, not just about transit. It is about an outcome.

*Darrin Roth adds:*

I agree with what Jack says. I think we need to be honest about the cost. We are going to be paying more than what we pay with the fuel tax, to get the same amount of revenue. There is no way to do this without higher collection costs than we have with the fuel tax. Abuses can occur; no offense, but if we put this into the state and local hands we need to be concerned. Truckers need to be concerned. This type of system will allow for those kinds of things to go on. We need to continue this type of conversation and just be honest with the public that these are potential issues that will come up if we put this system in place.

*Anne O’Ryan adds:*

I agree with what Jack said. I want to make sure we are very cautious about how we approach this because perception is reality. We want to make sure what we are doing is fair because it is easy to want to target motorists and truckers for things that are other components. Truckers and other motorists need to be paying for additional use of roads. Negatives of living in a huge house far outweigh living in a more compact neighborhood but closer into downtown. How are we going to do that if we do some of these things, versus utility taxes or not? In other words, what portion of the burden of the environmental elements should be placed with motorists, and what portion should be fairly placed upon the way we live? We must be fair in how we do that. General public will sense and will be skeptical because there have been diversions, because the trust is broken, so the public will be cautious about how the money is used. We do want transparency in this. We need to be brought along as far as what they own and what they should be paying for.

*Michael Replogle adds:*

I think it is very important that we look at equity, sustainability, fairness, as we put together frameworks to figuring out how to pay for transportation. Part of that is the polluter pays principle, which we haven’t done a very good job implementing in the US. Europeans have done a much better job at this. If you look at the burdens placed on our communities, often times people who live near our motorways experience the most detriments and health effects. We need to be more fully accounting for those kinds of externality effects and find new ways to help minimize the external costs. The only way to do that is by putting a spotlight on those costs, understanding them in the first place and developing pricing mechanisms which encourage mitigation. If you look at the major corridors for America’s ports you find cancer and disease rates that are many times higher among the people living close to those highways compared to people living farther away. We could use creative approaches to things like container fees coming in to help remedy those problems. There is no reason why we can’t develop more performance-based funding agreements in the private and public sectors relationships. As part of getting money you have to deliver better environmental performance and better service for customers.

*Bern Brush with Skymeter says:*

I am a proponent of VMT pricing. Thank you, Anne. Knee-jerk reaction for auto associations is NO to VMT. We appreciate the fact that AAA sees that this is coming and that it has to be involved with this. Education has to come from an organization like that, not from the government.

*John Haberman from Purdue comments:*

Michael, you talked about the consequences of on-time delivery. On-time delivery is not a bad thing. Also, when you said that we might have an extinction, to lay this extinction on cars and not the environment, not on the cycle of the earth, we have to be environmentally conscious, but there is a correlation between what happened during that time period. Whatever happened then, there was still extinction. You talked about promoting the economy while at the same time shutting down the economy.

*Michael Replogle answers:*

I think, actually, what I am talking about is trying to build a more robust and sustainable economy that creates a lot of new jobs, through lower carbon emission development. I think there is a huge potential of creating more jobs in America, building smart highways, building smart transit systems, building smart freight systems. We are big proponents of increased investment in transportation to do just that. So we can improve mobility by reducing environmental consequences. Los Angeles had adopted a new action plan to double the number of container shipments through that corridor over the next decade and reducing pollution by half. There is no reason we can't adopt that kind of philosophy for the public managing our roads nationally. I think there is nothing wrong with just-in-time delivery, but it puts scheduling constraints on truckers. They have to travel on congested roadways during peak times, so we have to charge them more. Time charges should be put more on the shipper not the trucker. We shouldn't stick the trucker with the cost of a peak-period toll that they don't have the flexibility to adjust. As the climate change, the dinosaur extinction is largely thought by scientists to have occurred because there was a massive meteor that hit the earth and basically caused a huge global change and climate. There is evidence around the world. What is happening today is that the GHG, particularly the CO2 emissions and particularly since the 1950s, have risen very sharply. Average temperature tracks pretty closely with the CO2 emissions, but now temperatures have surpassed CO2 emissions. The evidence is pretty overwhelming that this is a human-induced change.

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