

Senate Transportation Task Force Meeting  
November 13, 2012  
CRAM Testimony- John Niemela, Director

Mr. Chair and Task Force members:

First, I'd like to thank this committee, staff and others for all your hard work on this issue.

Looking at one's self is sometimes uneasy and yet rejuvenating. That's how this process has been for CRAM and I think for our members. It's been extremely time consuming but well worth it – if I can use a football analogy: “if it gets us across the goal line.” Our members are true leaders in regards to; reforms, efficiencies and especially transparency. For that I would like to publicly thank them.

I would also like to thank the TF2 committee and Rep. Olsen for their extraordinary work in identifying the transportation needs, the costs associated with those needs, and the menu of revenue fixes. This committee should also be recognized for “thinking outside the box” with respect to additional revenue sources. Rep. Olsen's report for all practical purposes reaffirmed the need to double the investment in transportation.

How do we get to that funding level? I have a lot of faith in this institution and its ability to solve any problem placed in front it . . . but as the saying goes “timing is everything” . . . and a little luck doesn't hurt either.

We at CRAM strongly believe that now is the time for action. Last week, Mr. Studley said, if I can paraphrase him; the Chamber has your back. CRAM would like to offer you our equal support. This committee has come too far to stop now and we need to see this through.

That being said, our local infrastructure has been in a world of hurt for quite some time. Just look at our condition ratings and the level of funding we are provided. If there's a solution that could inject some or all the additional revenue identified in the TF2 report, the Rep. Olsen report, or all the testimony provided– that would be our first choice.

What does that mean – an increase in fuel taxes and registration fees, just like all of the other states needing to increase revenue for transportation have done. Legislation introduced in the House proposed a change in fuel taxes from cents per gallon to a percentage of wholesale which would increase fuel taxes to an equivalent rate of 28.3 cents per gallon. This concept would allow for future increases based on the wholesale price of fuel. In addition, legislation was introduced to increase vehicle registrations. Combined they would generate most of the \$1.5 billion shortfall that has been discussed in these hearings.

However, if there is some other combination of additional revenue fixes or solutions that can jump start this additional revenue flow and/or stop the bleeding/deterioration of the system– that works too. I only remind you that each construction season lost increases the cost of maintaining and improving the system. Bottom line, the legislature needs to address this issue sooner rather than later.