A FORUM ON TRANSPORTATION INVESTMENT

REPORT & RECOMMENDATIONS

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LOCHNER
ENGINEERS AND PLANNERS
BOISE, IDAHO

TOM WARNE AND ASSOCIATES, LLC
SOUTH JORDAN, UTAH

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PO Box 7129
Boise, ID 83707-1129
208 334-8810

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Prepared and Managed by:

H.W. LOCHNER, INC.
Dwight M. Bower, Project Manager
2210 W Main Street, Ste 106
Boise, ID 83702
208 336-2983
dbower@hwlochner.com

TOM WARNE AND ASSOCIATES, LLC
Thomas R. Warne, PE, Project Manager
9874 S. Spruce Grove Way
South Jordan, UT 84905
801 302-8300
twarne@tomwarne.com

EXECUTIVE SUMMARY

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Idaho faces many challenges as it advances into the first decade of the 21st Century. Our population is growing at twice the national rate. Travel is measured at historically high levels. Demand for mobility, both by our residents and those who travel through our state, is putting more and more pressure on transportation entities at all levels of government. Whether it is a question of moving people or goods, using highways or public transportation, the discussion always turns to funding and the gap that exists between what is available and the amount needed to satisfy the public's expectations for transportation.

Many studies and initiatives have addressed the subject of transportation funding with a wide spectrum of impact. However, today the sense of urgency is high. The needs are growing and at the same time the public expects elected and appointed officials to act in ways that will preserve the quality of life we enjoy today.

It is against this backdrop that the Forum on Transportation Investment (FTI) was initiated in September 2004 by the Idaho Transportation Board. The Forum was made up of 57 individuals representing public agencies, transportation service providers, public transportation providers, stakeholders, elected officials and citizens with a keen interest in transportation.

In chartering the Forum, the Idaho Transportation Board identified two main purposes for its work:

1. Establish an understanding of the needs and demands for transportation improvements and the available options for financing and funding Idaho's transportation system; and
2. Make recommendations to the Idaho Transportation Board on how to shape future investment in the Idaho surface transportation system.

In addition, the Forum had three core focus areas to investigate:

1. Review current financing/funding options;
2. Understand the demand for improving Idaho's transportation system and summarize projected needs; and
3. Assess future innovative financing and revenue options, by benchmarking and being multi-dimensional.

The Forum was chaired by Jim Kempton, former state representative and a respected leader in the state. Mayor Tom Dale from Nampa served as Vice Chair. Eight (8) meetings were held over a 17 month period where the members of the Forum considered topics relating to the state of Idaho's growth, transportation systems, current funding mechanisms (within the state as well as at the federal levels), jurisdictional matters, and funding strategies for addressing the gap identified. A short summary of the conclusions of the Forum include:

A. **Idaho will continue to grow at an historic pace.** People love to live here and many more are moving into our state to enjoy the outdoors, clean air, our natural wonders and overall quality of life. The end result of this trend is that Idaho's population will grow by 56% between 2000 and 2030 - twice the national average. Idaho is the third (as of 2006) fastest growing state in the country. Additionally, we are experiencing record numbers of vehicle registrations and vehicle miles traveled each year.

B. **Transportation is essential to the state's economy.** Idaho's economy is growing at a record pace. Transportation is the common denominator that ties everything together. Much of the state's economy is directly dependent on transportation in some form or another.

C. **Freight movement in Idaho is an important element of Idaho's transportation future.** Whether used to transport agricultural products, high tech components, or numerous commodities, transportation is the thread that binds our state's economy together. Freight growth across the nation will double in the next 20 years with 88% of all commerce in commodities involving truck transportation on our nation's roads and highways. As a "bridge" state, Idaho is experiencing its share of increased freight activity. Investing in freight infrastructures and networking the various modes (truck/rail/port/air) will facilitate the movement of vital commodities.

D. **Public transportation must be addressed as part of Idaho's comprehensive transportation solution for the future.** The Forum recognized that public transportation is a necessary and important component of Idaho's overall mobility agenda. With that in mind, Idaho remains one of six (6) states without a dedicated state revenue stream to support transit projects. Additionally, local revenue authority is extremely limited or even nonexistent. With growing citizen interest in public transportation, there is an increasing expectation that state and local agencies will move forward with greater application of public transportation systems in both urban and rural settings.

E. **Idaho's current transportation revenue structure will not meet the pressing transportation funding needs over the next 30 years.** The Forum found that no single revenue stream could be counted on to adequately address both state and local needs and all modes of transportation. In fact, the Forum's analysis found that multiple sources would be necessary to even come close to meeting funding requirements. Among the revenue streams offering the most promise are raising the motor fuel tax, increasing vehicle registration fees, assessing impact fees at all levels of government, eliminating or replacing the revenue impact of alternative fuels exemptions, indexing fuel taxes and transportation-related fees, and other revenue-generating methods.

F. **Transportation must be addressed at all levels of government and all jurisdictions.** Transportation is not just a state problem. Rather it transcends all levels of government in Idaho with almost 300 jurisdictions having some role in the state's transportation network. In order to operate and maintain Idaho's almost approximately 47,000 miles (as of 12/30/05) of roads and highways, management tools and funding mechanisms must be provided to ensure a viable transportation system throughout the state.

G. **Federal funding cannot be relied upon to solve Idaho's transportation funding challenges.** Eight years ago, Idaho received an increase of over 60% in its federal funding through TEA-21 (federal highway funding legislation). In 2005, SAFETEA-LU (current federal transportation bill) provided just over a 30% increase in federal funding. Current projections are that the next federal transportation bill (set to be passed in 2009) will not provide any substantial increase in existing levels of federal funding. The bottom line is that Idaho must rely on its own solutions to transportation funding challenges and not have unrealistic expectations for a federal solution.

H. **Idaho's transportation system needs in the next 30 years are in excess of $20 billion.** The Forum queried all levels of transportation jurisdictions with the intent of defining future surface capital improvement needs. Needs for the various modes and jurisdictions were identified as follows for a total over $20 billion:

   i. Interstate highways - $4.5 billion,

   ii. State highways - $8.0 billion,

   iii. Local transportation - $6.3 billion,

   iv. Airport access - $221 million, and

   v. Public transportation - $1 billion.

I. **Increased transportation funding must be addressed now.** A transportation funding gap exists today and extends into the future as far as the eye can see. In 1995, the ***Idaho Highway Needs Assessment Study Update*** noted a backlog for all jurisdictions from 1994 through 2000 of $8.65 billion. Available revenue for that same period measured less than half. This shortfall in funding has not been addressed and cannot be allowed to continue.

   The GARVEE (Grant Anticipation Revenue Vehicle) bonding program is not additional transportation revenue; but rather GARVEE bonding allows critical projects to be constructed sooner by borrowing against future anticipated federal revenue.

J. **Idaho's funding shortfall from FY 2005 through FY 2035 is over $200 million a year.** When comparing available and projected revenues to the surface capital improvement needs identified in Conclusion H, the shortfall in funding is $200 million per year for the next 30 years.

K. **Solutions to Idaho's transportation funding challenge will require innovative and non-traditional revenue sources and means of collection.** The Forum concluded that Idaho's leaders should look beyond the obvious and determine if there are non-traditional or innovative solutions that could contribute to transportation funding. An essential element will be the need for all jurisdictions to be efficient in collecting revenues from existing sources as well as exploring how each jurisdiction can use new tools to fairly assess the cost of providing services to the users for the transportation system.

L. **Idaho must recognize the eventual transition from motor fuel (gasoline, diesel, etc.) to alternative-fuel vehicles and prepare accordingly.** The technology associated with "fueling" motor vehicle operations is developing rapidly. The advent of hybrid-fueled vehicles, as well as other new technologies, will diminish the taxes collected on fossil fuels. Idaho must prepare for the future by beginning deliberations on other transportation revenue collections methods.

From these conclusions the Forum on Transportation Investment formulated recommendations for addressing Idaho's transportation challenges. The following recommendations are divided into three categories: Policy, Policy/Revenue and Revenue depending on their nature and application.

POLICY RECOMMENDATIONS

Idaho should:

P-1 Integrate land use and transportation planning at all levels-state/regional/local.

P-2 Provide opportunities for user-fee based systems (toll roads/high occupancy toll (HOT) lanes, congestion pricing, etc.).

P-3 Promote partnership opportunities (private/public, public/public, etc.) and remove legal barriers whenever possible.

P-4 Pursue future revenue opportunities and sources by transitioning from traditional revenue generating sources (fuel tax/other) to other methodologies (BTU tax, VMT tax, etc.).

P-5 Update the analytic *Idaho Highway Needs Assessment Study* approximately every 10 years.

POLICY/REVENUE RECOMMENDATIONS

Idaho should:

P/R-1 Acknowledge that public transportation should be an integral part of Idaho's transportation system by dedicating revenue mechanisms to address these issues.

P/R-2 Achieve improved freight mobility by encouraging truck/rail/port/air infrastructure investments and efficiencies.

P/R-3 Provide local option taxing authority for transportation-related initiatives.

P/R-4 Establish index strategies for fuel taxes, vehicle registrations, and other transportation-related taxes and/or fees.

P/R-5 Create a rental car fee to generate revenue for transportation initiatives.

P/R-6 Assess new growth and development impact fees for transportation facilities and distribute to transportation jurisdictions within the associated area of impact.

REVENUE RECOMMENDATIONS

Idaho should increase revenue to the Highway Distribution Account by:

R-1 Increasing ALL fuel tax and ALL vehicle registration fees as soon as possible.

R-2 Increasing motor vehicle-imposed fees to cover the cost of providing the services.

R-3 Eliminating or replacing the revenue impact of alternative fuels tax exemptions (e.g., ethanol, bio-diesel, hydrogen, or electric fuels).

The recommendations above are a menu of transportation investment alternatives that the Forum felt reflected a variety of revenue and policy adjustments that Idaho could make to address its transportation funding shortfall. Each should be carefully considered as to its role in providing critical funding for all modes of transportation in the state.

An important point to be made in the discussion of transportation funding projected to FY2035 is that the Forum examined only the capital needs of the state and did not attempt to quantify the funding needed to operate and maintain the current and future transportation network. Historical evidence tells us that operating and maintenance costs must be factored into the budgets of the nearly 300 jurisdictions responsible for transportation across the state.

The Forum on Transportation Investment concluded its work by adopting the final report and recommendations — not as an end to its labor, but rather as a beginning of a much greater endeavor supporting changes and delivering funding for needed transportation projects and strategies throughout Idaho. The adoption of the Forum's recommendations will ensure a future transportation system all Idahoans want and expect.

CONCLUSIONS

FORUM CONCLUSIONS

The Forum on Transportation Investment came to many significant conclusions related to transportation, its funding, and the future of our state. The role and importance of transportation cannot be overstated. The shortfall in transportation funding is real and ignoring the funding shortfall will not make it go away; nor will the mobility requirements for the state somehow diminish. Idaho's future vitality is directly tied to our transportation infrastructure. The following is a summary of the most salient points of Idaho's transportation future and the actions necessary to ensure it for generations to come.

A. Idaho will continue to grow at an historic pace.

The very characteristics of Idaho's open space, clean air, scenic wonders, and quality of life make this state a desirable place for those who live here to stay; and attracts many from outside our borders to move in. Grow we will. Address this growth we must. Specific to this conclusion are the following:

a. Idaho's population is projected to grow by 56% from 2000 to 2030- over twice the national average.

b. Idaho is the 3rd as of 2006 fastest growing state in the country.

c. Boise is the 7th fastest growing urban area in the country.

d. Growth will occur in a dispersed manner throughout the state, although the existing urban areas will continue to be more populated.

e. Since 1978, there has been a 104% increase in vehicle miles traveled and a 93% increase in the number of vehicles registered.

B. Transportation is essential to the state's economy.

Transportation has been an important part of the state's economic engine since the first settlers arrived. While agriculture continues to hold a prominent position in the economic offering, tourism, technology, and other industries have become major players in Idaho's role in national and global economies. A viable transportation system is necessary to maximize Idaho's economic prosperity -- by minimizing shipping cost and maximizing market penetration of products both in and out of the state.

a. Tourism remains one of Idaho's top five industries providing nearly 50,000 jobs and accounting for 5% of Idaho's gross state product. In 2004, Idaho tourists spent $2.97 billion on lodging, food, and tourism related activities. A viable transportation system is critical for access to Idaho's many tourist experiences.

b. Off-road vehicle registrations in Idaho have grown over 2,800% since 1985. Funding for off-road vehicle access to well-maintained trails is provided, in part, through the Highway Distribution Account formula.

c. Idaho agriculture exports had an estimated value of $789.2 million in 2002. Idaho is ranked fourth nationally in vegetable (potato, onion, etc.) exports and ninth in both wheat and feed products.

d. Idaho's technology industry is recognized nationally and internationally. Idaho is number one in the nation for patents per capita and number 5 nationally in the creation of new companies.

C. Freight movement in Idaho is an important element of Idaho's transportation future.

Motor carriers, rail providers, barge haulers, and air freight carriers in Idaho perform an important role in moving goods -- in and around Idaho as well as through the state and across the nation. From agricultural products to high tech components, freight mobility is vital to maintaining Idaho's position in the national and the global economies. Specific to this conclusion are the following:

a. According to the U.S Department of Transportation and the Census Bureau's 1997 Commodity Flow Survey, nearly $7 trillion in goods were shipped throughout the nation.

b. Overall, up to 88% of all national commerce in commodities involves truck transport and is directly dependent on highway infrastructure.

c. International trade's gross domestic product was at 13% in 1990 and increased to 24% in 2000, and is expected to increase to 35% by 2020. Whether that freight is moved by truck, rail, or Columbia and Snake River inland barge, it takes money and capacity to do the job. Improvement of freight facilities - rail, motor carrier, port, and air - would significantly benefit the state's economy and Idaho's ability to move goods.

d. General freight transportation efficiencies need to be investigated with the possibility of incentives for infrastructure improvements.

D. Public transportation must be addressed as part of Idaho's comprehensive transportation solution for the future.

One of the clear messages coming from the Forum was the need to address Idaho's public transportation requirements. The interest in public transportation in Idaho continues to grow with citizen's needs and demands. Elected and appointed officials are seeing the importance of public transportation in the mix of solutions for addressing Idaho's mobility needs. However, the challenges with public transportation, first and foremost, come quickly to funding or more correctly, the lack thereof. Specific to this conclusion are the following:

a. Idaho is one of six (6) states in the United States that does not have a dedicated state revenue funding stream for public transportation. Additionally, there is currently no local revenue authority.

b. Competition for federal funding has never been greater.

c. Even if federal funding is available, state/local matching requirements reflect a need for a larger proportion coming from Idaho revenue sources.

d. Interest in public transportation is growing. Recent polls report that urban residents would use public transportation if available and rural residents also favor this mode of travel.

E. Idaho's current transportation revenue structure will not meet the pressing transportation funding needs over the next 30 years.

The transportation revenue challenge lies not in a single solution, but rather in adopting a menu of revenue sources to address both state and local needs and all modes of transportation. The magnitude of the transportation funding gap, coupled with the inability of the fuel tax (the state's largest funding contributor) to fill Idaho's transportation revenue need, indicates that multiple funding sources are required to adequately fund Idaho's transportation future. Moreover, transportation revenue limitations and/or other investment requirements have hindered innovative investment in multi-modal infrastructures and other transportation investments.

The Forum considered many tools used by state and local jurisdictions throughout the country to assess which would be the most effective for Idaho. Included in this review were impact fees, sales tax on transportation-related products, local option fuel taxes, advertising, transportation-related fees and others. The Forum recognized that fuel taxes should have been increased in the past 10 years. Immediate measures should be taken to adjust for the past and meet future transportation funding needs.

F. Transportation must be addressed at all levels of government and all jurisdictions.

Transportation in Idaho is not strictly a state government challenge. Cities, towns, counties, highway districts, and numerous other transportation providers struggle with the need to provide effective transportation services for Idaho citizens. Land use and transportation infrastructure development must be integrated and coordinated at all levels of government. From the many discussions held by the Forum, solving the transportation challenges for Idaho must be done with an eye towards all levels of government and all entities responsible for delivery of transportation services, economic development, and overall land use. Relating to this conclusion, the following was considered:

a. Almost 300 various jurisdictions have responsibility for Idaho's transportation system.

b. Idaho's road system is composed of over 47,000 (as of 2006) miles of roadway - reflecting all levels of government and jurisdictions.

c. Some organizations are moving to more thorough consideration of land use and transportation planning, but more integration and coordination is needed.

G. Federal funding cannot be relied upon to solve Idaho's transportation funding challenges.

Some would suggest that the solution to Idaho's transportation funding challenges lies in garnering additional federal funds. While Idaho has been a benefactor for many years of substantially higher than normal federal funding allocations, there is clear evidence that the federal Highway Trust Fund (HTF) will soon be unable to sustain the current levels of funding of the recently passed SAFETEA-LU legislation. In fact, reports indicate that the HTF will have a deficit balance by FY2010 if current spending levels continue. Future reliance on federal funding to an inordinate degree would not be wise or realistic. Factors relevant to this conclusion are:

a. Idaho received a 30.32% apportioned increase in federal funding through the SAFETEA-LU legislation.

b. Current revenues into the HTF are about $29 billion per year, while outlays are projected to be nearly $40 billion per year (FY2006). By spending more than is coming in, the HTF will not support increased funding to the states without a major tax increase. Even with the tax increase, Idaho's funding percentage would likely shrink.

c. The amount of state fuel tax revenues used to match federal aid is unchanged by the Grant Anticipation Revenue Vehicle (GARVEE) bonding of projects currently being considered.

H. Idaho's transportation needs in the next 30 years are in excess of $20 billion.

The transportation needs of Idaho are significant. As part of the Forum's study of transportation finance, a comprehensive list of future needs for the next 30 years gave the members a sense of the transportation challenge they are facing. Through extensive engagements with stakeholders across the state, the Forum compiled a listing of projects and proposed needs for local roads and highways, state highways, public transportation and aviation. The total funding requirements in FY2005 dollars ranged from $20 billion to $23 billion over the next 30 years. Specific to this conclusion are the following:

a. Needs for the various modes and jurisdictions were identified as follows:

1. Interstate highways: $4.5 billion,
2. State highways: $8.0 billion,
3. Local transportation: $6.3 billion,
4. Airport access: $221 million,
5. Public transportation: $1 billion.

b. Projections based on past transportation funding levels show that an inflated need for the same period could be in excess of $23 billion.

c. The capital costs of the GARVEE (Grant Anticipation Revenue Vehicle) bonding projects are included in the 30-year $20-$23 billion range of funding requirements.

d. While the listing of projects may change over time, it is doubtful that the magnitude of these needs will vary significantly.

I. Increased transportation funding must be addressed now.

Many think that transportation funding is a challenge to be left to future generations of leaders. The Forum concluded that this was not correct. Given the staggering needs identified by state and local entities as part of the Forum process, the shortfall in funding is a challenge that has been with the state for years and stretches far into the future. Funding transportation must be resolved in the near term as well as for decades to come. Considerations in reaching this conclusion included the following:

a. In the 1995 *Idaho Highway Needs Assessment Study Update*, the backlog of transportation needs among all jurisdictions was identified for the period of 1994 through 2000 to total $8.65 billion. As the Forum considered future transportation requirements, the backlog of projects and needs continued to increase.

b. Available revenues for the period of FY1994-FY2000 totaled $4.1 billion. This is less than half the needed amount identified in the 1995 *Idaho Highway Needs Assessment Study Update*.

c. The GARVEE (Grant Anticipation Revenue Vehicle) bonding program is not additional transportation revenue. Rather, GARVEE bonding allows critical projects to be constructed sooner by borrowing against future anticipated federal revenue.

J. Idaho's funding shortfall from FY2005 through FY2035 is over $200 million a year.

With both "needs" and current funding levels identified, the Forum projected a significant transportation funding shortfall. The gap between available funding and what is currently or reasonably expected to be available over the next 30 years is $203 million per year in 2005 dollars. This is in addition to the funding already available from existing state sources and includes new monies coming from SAFETEA-LU.

How to fill that gap and achieve a viable transportation infrastructure became the task of the Forum in preparing its recommendations to the Idaho Transportation Board. Two problems exist: 1) inflation is eroding the purchasing power of the transportation dollar, and 2) demands on the transportation system are outstripping the revenue collected to pay for these demands.

In addition, the Forum spent considerable time examining the possibilities for indexing the motor fuel tax to guard against inflation and other factors that tend to reduce fuel tax contributions toward state and local transportation funding needs. Consideration of a variety of means to index the motor fuel tax was undertaken, including the amount of travel measured each year (annual average vehicle miles traveled) and the national construction cost index. There is substantial evidence that indexing the motor fuel tax is an effective means for maintaining transportation funding viability. The following were identified:

a. Currently sixty-nine percent (69%) of Idaho's transportation revenue is from the motor fuel tax and twenty-eight percent (28%) from motor vehicle registrations. The fuel tax and registration fees have not increased since 1996.

b. If indexing, based on any methodology, had been applied over the last 10 years, the motor fuel tax would have offered a more robust funding stream for Idaho's transportation funding needs.

c. The Forum concluded that revenue sources need to be uniquely selected to fit Idaho's economic and funding circumstances. The following tools held the most promise for addressing the 30 year funding needs of the state:

i. Increase the fuel tax,
ii. Increase vehicle registration fees,
iii. Assess impact fees (at all levels of government) on land improvements,
iv. Reduce or eliminate the impact on the Highway Distribution Account of alternative fuel tax incentives or exemptions,

v. Index fuel taxes, vehicle registrations, and other transportation-related fees,
vi. Create a rental car fee to generate revenue for transportation initiatives,
vii. Provide local option taxing authority for transportation-related initiatives,
viii. Transition from traditional revenue generating sources (fuel tax/other) to other methodologies (BTU tax, VMT tax, etc.),
ix. Promote partnerships (private/public, public/public, etc.) whenever possible,
x. Provide opportunities for user-fee based systems (toll roads/HOT lanes, congestion pricing, etc.).

K. Solutions to Idaho's transportation funding challenge will require innovative and non-traditional revenue sources and means of collection, and efficiencies in many forms.

For many years Idaho has relied on traditional fuel taxes and a variety of fees to fund its transportation needs at the state and local levels. But, as demands and needs increase and circumstances change, it is apparent that non-traditional solutions can and should contribute in a large way to filling the looming transportation funding gap. Ultimately, elected and appointed officials must explore every possible option for addressing the transportation funding challenges. With this conclusion in mind:

a. Idaho must examine the various transportation jurisdictions and determine the most effective means for funding the demands on the jurisdiction.

b. Each transportation entity must maximize the revenues collected and transition to different collection means and methods as needed.

c. Efficiency in many forms must be applied to revenue sources, revenue collection, and project delivery to ensure the most effective use of transportation revenue.

L. Idaho must recognize the eventual transition from motor fuel (gasoline, diesel, etc.) to alternative-fuel vehicles and prepare accordingly.

As motor fuel prices increase, the public's interest in hybrid and alternative-fuel vehicles will continue to rise. Concerns for air quality and fuel economy also are contributing to public demand for vehicles that use less fossil fuel. The outcome of these trends will be a reduction or possible elimination of fuel taxing as a viable revenue stream for transportation funding. The transition from a gas and diesel fuel-based taxation system to other revenue-generating sources will take 10-20 years. Ultimately, Idaho must prepare for this change in taxation and more importantly, begin the preliminary steps today.

a. Recognize that transportation infrastructure and the subsequent funding investments are dynamic processes.

b. Research and gather information to recognize additional/alternative transportation-related taxation and revenue-producing sources.

c. Establish methods to review transportation revenue and goals and adjust revenue-generating methods as needed.

RECOMMENDATIONS

FORUM RECOMMENDATIONS

The Forum members determined as a group that certain recommendations would be advanced as a consequence of their efforts over the last year. In doing so, guiding principles were adopted that governed the context in which these recommendations would be made. The process whereby these recommendations were accepted adhered to a deliberate format which included the following:

- Acceptance by consensus -- not necessarily unanimous;
- Establish a range of transportation needs;
- Categorize current funding options and proposed changes if appropriate;
- Propose future funding, criteria for ranking/prioritizing surface transportation demands, etc.
- Allow "minority" recommendations as formally written (see Appendix G, Other Information).

GUIDING PRINCIPLES

The Forum members agreed that two guiding principles serve as the foundation of their recommendations.

Idaho can control its own transportation destiny through proactive decisions and creative strategies for transportation investment that do not overly rely on federal revenue sources to meet Idaho's transportation needs.

When considering transportation policies, methods for revenue generation, and infrastructure projects, use the following priorities:

- ***SAFETY — Ensure safety and security in travel by decreasing the risk of injury or property damage on, in, and around transportation facilities.***
- ***LAND USE LINKED TO TRANSPORTATION SYSTEM — Protect Idaho's environment and natural resources by making investments that are not only sensitive to the environment, but also provide and encourage beneficial transportation choices.***
- ***LONG-TERM PLANNING AND GROWTH (coordinated plans) — Enhance the quality of life in our communities through transportation. Relieve/manage congestion to ensure the smooth flow of people and goods throughout the entire system. Broaden transportation opportunities and essential services for those who cannot or choose not to drive.***

- ***COST BENEFIT — Ensure Idaho's continued economic competitiveness by providing a safe, reliable, and efficient transportation system of roads, bridges, public transportation, aviation, rail, and ports. Facilitate the efficient movement of goods using all modes of transportation.***

POLICY RECOMMENDATIONS

Idaho should:

P-1 **Integrate land use and transportation planning at all levels-state/regional/local.**

P-2 **Provide opportunities for user-fee based systems (toll roads/high occupancy toll (HOT) lanes, congestion pricing, etc.).**

P-3 **Promote partnership opportunities (private/public, public/public, etc.) and remove legal barriers whenever possible.**

P-4 **Pursue future revenue opportunities and sources by transitioning from traditional revenue generating sources (fuel tax/other) to other methodologies (BTU tax, VMT tax, etc.).**

P-5 **Update the analytic *Idaho Highway Needs Assessment Study* approximately every 10 years.**

POLICY/REVENUE RECOMMENDATIONS

Idaho should:

P/R-1 **Acknowledge that public transportation should be an integral part of Idaho's transportation system by dedicating revenue mechanisms to address these issues.**

P/R-2 **Achieve improved freight mobility by encouraging truck/rail/port/air infrastructure investments and efficiencies.**

P/R-3 **Provide local option taxing authority for transportation-related initiatives.**

P/R-4 **Establish index strategies for fuel taxes, vehicle registrations, and other transportation-related taxes and/or fees.**

P/R-5 **Create a rental car fee to generate revenue for transportation initiatives.**

P/R-6 Assess new growth and development impact fees for transportation facilities and distribute to transportation jurisdictions within the associated area of impact.

REVENUE RECOMMENDATIONS

Idaho should increase revenue to the Highway Distribution Account by:

R-1 Increasing the fuel tax and vehicle registration fees as soon as possible.

R-2 Increasing motor vehicle-imposed fees to cover the cost of providing the services.

R-3 Eliminating or replacing the revenue impact of alternative fuels tax exemptions (e.g., ethanol, bio-diesel, hydrogen, or electric fuels).

The Forum reviewed numerous documents related to transportation, listened to information from recognized transportation professionals, and shared their own personal expertise to shape their views on Idaho's transportation future. The following Forum Report and Appendices contains the information used.