

Transportation Informational
Hearing on
2017-19 WisDOT Biennial
Budget Proposal:
Testimony

Assembly Committee on Transportation
December 6, 2016



Wisconsin Department of Transportation

www.dot.wisconsin.gov

Scott Walker
Governor

Mark Gottlieb, P.E.
Secretary

Office of the Secretary
4802 Sheboygan Avenue, Room 120B
P O Box 7910
Madison, WI 53707-7910

Telephone: 608-266-1113
FAX: 608-266-9912
E-mail: sec.exec@dot.wi.gov

DATE: December 6, 2016

TO: Members, Assembly Committee on Transportation
The Honorable Keith Ripp, Chair

FROM: Mark Gottlieb, P.E., Secretary
Wisconsin Department of Transportation

SUBJECT: Agency 2017-19 Biennial Budget Request

Chairman Ripp and Committee Members:

Thank you for this opportunity to present information on the Wisconsin Department of Transportation's (WisDOT) 2017-19 biennial budget request, as well as our ongoing efforts to responsibly manage our transportation system.

As you are aware, last June Governor Walker directed our department to submit a budget proposal focused on four key themes: (1) no increase in transportation taxes or fees, (2) a responsible level of bonding, (3) a highway program that emphasizes maintenance, safety and system preservation, and (4) an increase in local aids. The department's September 15 budget proposal is consistent with that directive. Allow me to share some key provisions that correspond to the governor's priorities.

Taxes, Fees and Bonding

The proposed budget maintains the current fuel tax and vehicle registration fee structures. The requested bonding of \$500 million is the lowest level in 15 years and a 41 percent reduction in borrowing from the current biennium. The department believes that this level of bonding is appropriate and will, if continued, lead to a long-term stabilization of our debt service ratio at approximately 25 percent of state revenues.

State Highway Program

The state highway program has four components: State Highway Rehabilitation (SHR), Major Highway Development, Southeast Megaprojects and State Highway Maintenance. To meet the governor's objectives, funding priority was given to SHR and maintenance.

The SHR Program funds the resurfacing, reconditioning and reconstruction of state highways and bridges, including the 1,600-mile backbone system that carries 49 percent of all traffic and 70 percent of freight. It also funds a variety of safety-related improvements. For this program, we proposed the highest level of funding ever, \$1.707 billion.

The State Highway Maintenance program primarily funds routine maintenance performed on the state system by county highway departments including snow and ice control, minor pavement repairs, traffic operations, signing and marking, vegetation management and maintenance of roadside facilities. Our budget proposal increases state highway maintenance funding by 13 percent, or \$69.7 million, to an all-time high of \$605.5 million.

In order to meet our priorities, schedule adjustments have been made on several other major projects. These projects include US 18/151 (Verona Road), I-94 N/S, US 10/WIS 441, WIS 15, and the north leg of the Zoo Interchange. However, the budget request does keep other critical major and mega projects moving forward, to include the Zoo Interchange core and I-39/90. In addition, the department proposes the enumeration of the I-94 East-West project in Milwaukee County as a Southeast Megaproject. These projects are important to the state and to their respective regions. Not only do they serve the traveling public, but they also directly support the continued growth of the state's economy.

There has been much recent discussion about the condition of the state's highways and bridges. Using the department's nationally accepted methods of assessing highway and bridge condition, 98 percent of backbone highways, 79 percent of non-backbone highways and 97 percent of state bridges are currently in fair or better condition. I should add that bridge conditions have improved markedly since 2000. We have reduced state and locally owned structurally deficient bridges by 60 percent and 22 percent respectively.

Local Aids

Local roads under county, city, village or town jurisdiction represent 90 percent of all roadway miles and 42 percent of vehicle miles traveled. To better assist local governments with upkeep of this system, we have proposed a \$65 million increase across several different aid programs. This represents the largest year-to-year increase in local aids since calendar year 2000 and includes:

- A \$46 million increase in General Transportation Aids for municipalities and counties – increases of 4.7% and 8.1% respectively. General Transportation Aids, which will total \$884 million under our proposal, provide local governments with needed assistance to offset the cost of county and municipal road construction, maintenance, enforcement and traffic operations.
- A \$14 million, or 25% increase in the Local Road Improvement Program, to a total funding of \$70 million. This program assists local governments in improving seriously deteriorating county highways, town roads, and city and village streets.

- A \$5 million, or 30% increase in the Local Bridge Program which helps rehabilitate and replace the most seriously deficient existing local bridges on Wisconsin's local highway systems.

Stewardship

I've covered the main points of our budget request, and now I would like to tell you about what I think is key to our success: a culture of innovation, efficiency and continuous improvement. It's important for everyone to know that the money in the transportation fund is spent wisely. This culture is demonstrated in WisDOT's MAPSS Performance Improvement Program, a program that strives for continuous improvement through a focus on five core transportation goals: mobility, accountability, preservation, safety and service. This data-driven program provides us with metrics to measure the performance of the state's transportation system. It is fully transparent. Anyone at any time can visit our website for the latest reports on specific measures.

Our mission statement is a simple one: *to provide leadership in the development and operation of a safe and efficient transportation system.* Our 3,400 employees take this mission seriously. We accomplish it through a commitment to data-driven asset management, productive partnerships with key stakeholders, innovation in project delivery and continuous process improvement.

Since 2011, WisDOT has saved over \$1.5 billion through the many initiatives we have implemented throughout the department to improve performance and reduce cost. For fiscal year 2016 specifically, WisDOT recorded almost \$99 million in savings that resulted directly from improvements to processes, products and services related to design and construction as well as vigilant management of ongoing road improvement projects. Almost \$7 million was saved in similar fashion elsewhere in the department, particularly in the delivery of services, namely in our Division of Motor Vehicles. Combined that's more than \$100 million in savings. You will find more detail and specifics regarding these efforts in the report I'm leaving with you today entitled *Better, Faster, Lower Cost*. It details the many technologies, cutting-edge research initiatives, best practices and cost-effective policies the department is utilizing to deliver transportation projects and services in an efficient and responsible fashion.

Additionally, we had more than \$112 million in one-time "let savings," which allowed us to advance 75 transportation projects not originally planned for fiscal year 2016. In fiscal year 2017, the department is continuing to scrutinize project and bid numbers to further maximize savings potential.

In closing, without raising taxes or fees and with limited borrowing, the Wisconsin Department of Transportation's 2017-19 biennial budget request makes a significant investment in Wisconsin's transportation system and our state's economy. It prioritizes preservation, maintenance and safety while significantly increasing local aids and protecting our past transportation system investments.



Wisconsin Department of Transportation Cost Savings and Efficiencies – FY 2016 Summary

December 2016

The Wisconsin Department of Transportation (WisDOT) continues to take measurable steps to be leaner and more effective in delivering road construction and improvement projects at a lower cost.

Since 2011, WisDOT has saved more than \$1.5 billion through performance and cost-reduction initiatives. This figure includes \$580 million in one-time savings previously identified related to the Zoo Interchange Project in Milwaukee County.

Below are some of the many highlights of WisDOT's recent efforts to reduce costs and improve efficiency. While not an exhaustive list, this document illustrates **nearly \$100 million** in real and projected savings achieved during FY 2016.

- Key focus: Achieve savings in the delivery of the State Highway Program with an emphasis on preservation. Over 85 percent of state highway construction costs are for preservation-related improvements; less than 15 percent of construction costs are aimed at expanding capacity when needed to improve safety and mobility.
- Measure performance: Continue applying "best practices" and implementation of a performance improvement program in five core areas of mobility, accountability, preservation, safety and service (MAPSS).
- Estimated savings during FY 2016 of **\$98.8 million**, in addition to the more than \$112 million realized in one-time project let savings.
- New opportunities continue to emerge that will lead to future savings and cost avoidance.

PROJECT MANAGEMENT:

➤ **Total FY 2016 Savings: \$75.0 million**

Title	FY16 Estimated Savings	Description
Highway Project Construction & Design	\$38.5 million	By closely evaluating project staging and practical options, WisDOT staff identified and implemented a number of cost-saving solutions statewide. One example is an innovative French drain system planned by WisDOT's NE Region to reduce storm sewer and right-of-way needs on the WIS 441 project (est. savings of \$3.2 million). WisDOT's NC Region also identified multiple changes, including revised project work limits on US 45 and elimination of a temporary bridge on US 51 (totaling \$4.7 million).
Design Standards	\$21.6 million* <small>*Based on costs that would have been incurred, if a redesign had been mandated.</small>	WisDOT worked with the Federal Highway Administration (FHWA) in CY 2015 to streamline methodology allowing certain roadway features to remain as is, with no additional work, if the area historically has not experienced problems with safety.
J-Turns	\$11.8 million* <small>*Based on likely alternative construction options, which can require additional planning, material or real estate.</small>	J-Turns offer increased safety for drivers and a lower-cost alternative to conventional interchange design. Three J-Turns opened in Wisconsin in 2016 (US 53/CTH B in Washburn County; WIS 54/CTH U in Portage/Wood counties; and WIS 57/CTH C in Door County).
Hot Mix Asphalt – extended life	\$1.6 million	WisDOT has been working diligently to improve performance of hot mix asphalt (a combination of stone, sand and gravel bound by asphalt cement). Several projects during 2016 have created savings, including WIS 13 north of Marshfield, US 51 north of Wausau, WIS 32 south of Chilton, and WIS 33 east of St. Joseph.
Cold-in-place Recycling	\$1.47 million	Cold-in-place recycling mills existing road surface and processes the material on-site. A total of 28.47 centerline road miles were resurfaced this way in 2016, leading to an estimated 93,450 tons of on-site reuse material.
3D Modeling	Ongoing: 20-30% on earthwork/paving costs; 7-9% on paving-only projects after fully implemented.	Estimated savings will be nearly \$740,000 if Wisconsin experiences similar success to other states (reducing risk and creating construction efficiencies). Savings grow from a 2015 pilot that provided 3D models to contractors on projects with a total earthwork bid of approx. \$2.9 million.

SYSTEM OPERATIONS:

➤ **Total FY 2016 Savings: \$3.5 million**

Title	FY16 Estimated Savings	Description
Value Engineering (VE)	\$2 million* *Due to nature of individual project rollouts/implementation, it is too soon to estimate full cost savings. Over \$170 million in cost avoidance created since FY14.	VE focuses on holding down costs of large projects. WisDOT held two cost-risk analysis workshops and one value engineering study in FY 2016. A final report due in 2017 will detail each. In past years, WisDOT has realized a return on investment as high as 253:1, as VE focuses on functions, values, priorities and needs.
Liquid Brine	\$1.3 million	Last winter, WisDOT used 7 million gallons of brine, which reduced treatment costs by \$39 per lane mile over 34,486 miles. Brine optimizes the salt supply by reducing (but not replacing) the need for rock salt.
Statewide Materials Purchase Program	\$138,700	WisDOT is leading a statewide effort to purchase deck sealing and bridge deck protective surface treatment materials. This created savings statewide of roughly \$23 for every crack sealant kit and \$323 for every 55-gallon drum of bridge deck sealant.
Combined Inspections	\$90,000	WisDOT's NC Region is coordinating bridge and tub girder inspections to coincide when possible. Combining operations with the same traffic control closures enabled inspections on more than 55 structures in just a few days.
Electrical Locating Improvements	Ongoing: Lower locating costs.* *Over \$15,000 in monthly ITS locating cost reductions thus far.	Contracted services in the NE, NW, SE and SW regions optimized a burdensome workload that, during peak construction season, had some regions managing nearly 500 requests to locate underground systems including electrical cable, conduit and fiber optic cable.
Construction Contract Closeout Process	Ongoing: Time savings and lower project costs.	As of February 2016, it was determined that the final contract closeout process was taking an average of 181 days, which is nearly half the average in 2013 (325 days).
Performance-based Maintenance (PbM)	Ongoing: Long-term benefits of increased service life of pavements and bridge decks.* *Savings calculated as projects close out.	The department partnered with counties on 182 PbM projects in FY 2016, valued at approximately \$18.2 million. The workload has increased dramatically since the 100 projects launched in the 2014 pilot. PbM projects help standardize best practices to extend pavement and bridge deck life, while also reducing traffic impact.

INNOVATION, RESEARCH, AND TECHNOLOGY:

➤ **Total FY 2016 Savings: \$20.3 million**

Title	FY16 Estimated Savings	Description
Recycled Materials	\$19.6 million	WisDOT's goal is to incorporate two million tons of recycled materials into projects, and to continually strive to improve by increasing the tonnage and finding new materials to recycle (including fly ash, slag, shingles, pavement materials, and foundry sand).
Pile Driver Analyzer	\$500,000	Computer equipment used to measure movement and applied load, which helps optimize pile depth in an accurate, timely fashion. Total savings have exceeded \$3 million since the department started using the equipment.
Time of Use Metering for Street Lighting	\$150,000	WisDOT's NE Region has worked with local utility companies to get "Time of Use" metering on lighting used in off-peak hours, which allows for a lower bill rate.
Concrete Pavement Thickness Measurement	\$28,000	MITSCAN T2 is a new non-destructive technology that replaces contractor probing and WisDOT coring to determine concrete pavement thickness.
Trimble Geo7X GPS Devices	Ongoing: Project savings.	WisDOT has 30 Geo7X Trimble devices deployed after beginning a successful pilot in FY 2016. Use of this device ensures accuracy to within a centimeter, and helped avoid a \$10,000 expense on the St. Croix Crossing project, in which a subcontractor's less precise measuring equipment called for more base material than needed.
Automated Parcel Mapping	Ongoing: Time savings.	Links WisDOT's Real Estate Automated Data System to the Statewide Parcel Database using parcel tax key numbers. 8,000 staff hours saved.

Advanced Traffic Signal Systems	Ongoing: User delay and fuel savings.	During FY 2016, WisDOT continued system development – improves traffic flow and reduces user delay costs for motorists. Currently, about 45 percent of signals have remote communication. Of those, approx. 170 signals are connected to our automated traffic signal performance metric system. Fifteen intersections along the I-39/90 alternate route in the Janesville area were added to an adaptive signal system for better incident management.
DocuSign	Ongoing: Time savings.	An e-signature tool that streamlines the contract process. Since launching in July 2016, WisDOT has saved three weeks in review and approval time.
Mobile Devices: Tablets & Smartphones	Ongoing: Time savings.	WisDOT determined a 3:1 return on investment for iPads and a 6:1 return for iPhones, as a result of time savings achieved in the field (avg. weekly savings of 4 hours for project managers and 8 hours for bridge inspectors).
Right-of-Way Data Sharing	Ongoing: Time savings.	Standardized electronic data sharing of right-of-way plat data. 6,000 staff hours saved.

EMERGING OPPORTUNITIES:

- **Enhancing Liquid Brine Savings**
 - Savings topped \$1.3 million for winter 2015-16. Use of brine doubled from winter 2014-15 to winter 2015-16.
- **Unmanned Aerial Vehicle (UAV) Bridge Inspection**
 - Drones are used for collection of imagery in bridge inspection. WisDOT pilot project launched in October.
 - Saves time, reduces the need to delay traffic for inspections, and provides extra safety at inspection sites.
- **WAZE Connected Citizen Program**
 - Partnership allows data exchange regarding traffic incidents, collisions, speeds, road closures, etc.
 - Enhanced '511' service and incident reporting at no cost to WisDOT.
- **Area-Wide Service Providers**
 - Work with county maintenance teams to save money by sharing responsibilities across borders.
- **Streamlining Project/Contract Management**
 - Electronic invoicing began in July 2015 through the Contract Administration Reporting System (CARS).
 - Identified time savings included 15-20 days earlier payment and 6-7 hours of staff time saved per invoice.
- **Enhancing Skillsets**
 - TC3 provides web-based courses for technical staff on construction, maintenance and materials.
 - Major benefit: Employees sharpen knowledge without the cost of more formalized additional schooling.

Other Notable Performance Initiatives from FY 2016 –

- **Accelerated Bridge Construction (ABC)**
 - Projected annual savings of \$5 million when fully integrated. Four ABC projects implemented in 2016 (two in 2015).
 - ABC includes the use of pre-fabricated bridge elements, GRS-IBS abutments and self-propelled modular-transporter to deliver more cost-effective bridge projects, which also improve traffic safety and efficiencies.
- **LED Lighting Replacement**
 - Anticipated savings of 40-50% in reduced maintenance and utility costs over the life of the LED luminaire, when compared to high pressure sodium.
 - In past 3 years, WisDOT has invested \$24.6 million in upgrades to existing lighting infrastructure on metro Milwaukee's freeway system (includes poles, cabling, control systems, and LED luminaires). Currently, 16% of system is lighted by LED (majority of installations done with previously scheduled highway improvement projects).
- **Winter Plow Route Optimization**
 - Increased operational efficiencies and safety, with anticipated FY17 savings of 1.2 million from three pilots planned.
 - WisDOT's Bureau of Highway Maintenance has been working with GIS technology to cover more ground – faster – in county-led plow operations. Positive early results, which have identified reductions in cycle times and left turns.

Point of contact:
Tom Rhatican, WisDOT Assistant Deputy Secretary
tom.rhatican@dot.wi.gov
608.266.1114



An Efficiency Report from the
Wisconsin Department of Transportation

December 2016

Better Faster Lower Cost

An Efficiency Report from the Wisconsin Department of Transportation

Message from WisDOT Secretary Mark Gottlieb:



Since becoming Secretary of the Wisconsin Department of Transportation (WisDOT) in 2011, one of my top priorities was to implement a comprehensive, transparent performance improvement system that sets ambitious yet realistic goals, identifies opportunities for cost savings and efficiencies, without compromising WisDOT's primary mission of public safety.

This ongoing effort—focused on getting the very most from existing resources—is returning significant and measurable results. The following report details the many technologies, cutting-edge research, best practices and policies WisDOT is utilizing to deliver transportation projects and services in an efficient and responsible fashion. In the 2016 state fiscal year alone, we generated approximately \$100 million in savings that stem directly from vigilant project management and improvements to processes, products and services.

While not an exhaustive list, this report itemizes numerous measures WisDOT is implementing to enhance the safety, durability and reliability of Wisconsin's nearly 11,800 miles of state and federal highways. This report also highlights savings and efficiencies in the Division of Motor Vehicles and Division of State Patrol. Some important points to keep in mind:

- ▶ Since 2011, WisDOT has documented over \$1.5 billion in one-time or on-going savings which includes nearly \$100 million in FY 2016.
- ▶ The department has implemented numerous process and customer service improvements that will produce greater long-term savings to include digital documentation and digitized (portable) manuals and guides.
- ▶ WisDOT will continue its nationally-unique partnership with county highway departments to improve snow-plowing and routine maintenance activities. For example, WisDOT and counties will maximize the benefits of Route Optimization—sophisticated computer software that creates “blended” plow routes including state and local roadways to develop safer, seamless and efficient plowing and salting loops.
- ▶ WisDOT allocates over 85 percent of state highway construction costs to preservation-related improvements; less than 15 percent of construction costs are used to expand capacity where necessary to improve public safety and mobility.

Throughout WisDOT, our dedicated managers and staff remain committed to being responsible stewards of our limited public resources. We look forward to working with state and federal policymakers, our many public and private stakeholders and citizens on transportation policies that keep people and commerce moving safely and efficiently.

Mark Gottlieb, P.E.
Secretary
Wisconsin Department of Transportation



Table of contents

PAGES 2-3

PROJECT MANAGEMENT

- ▶ Best practices in design
 - Programmatic exceptions to standards
 - J-Turns
 - FY16 innovative design pilot
 - 3D modeling
- ▶ Means and methods of construction
 - Project and design savings
- ▶ Best practices in resurfacing
 - Cold-in-place recycling
 - Hot mix asphalt-extended life

PAGES 4-6

SYSTEM OPERATIONS

- ▶ Refined focus for improved service
 - Electrical locating improvements
 - Combined inspections
 - FY16 Lean initiative improvement
 - Contract closeout process
- ▶ Value of partnerships
 - Performance based maintenance
 - Liquid brine
 - Statewide materials purchase program
 - Area-wide service providers
- ▶ Freight planning
 - Multimodal freight network tool
 - Rail GIS/SharePoint collaboration
- ▶ Value engineering (VE)
- ▶ Enhancing Division of Motor Vehicles services
 - Email notices for motor carriers
 - FY16 Lean initiative improvements:
 - DMV Service Center southwest scheduling
 - Late title reporting
 - DMV travel site consolidation
 - iPad kiosks at DMV Customer Service centers
 - Seller notification online application

PAGES 7-9

INNOVATION, RESEARCH AND TECHNOLOGY

- ▶ Modernizing our roadways
 - LED lighting replacement
 - Advanced traffic signal systems
- ▶ Accelerated Bridge Construction (ABC)
- ▶ Modern tools for today's work
 - Pile driver analyzer
 - Concrete pavement thickness measurement
 - Trimble GEO7X GPS devices
- ▶ Enhanced connections for effective projects
 - Automated parcel mapping
 - DocuSign
 - Time of use metering for street lighting
 - Mobile devices: tablets/smart phones
- ▶ Recycling
 - Recycled materials

PAGE 10

CREATING A CULTURE OF CONTINUOUS IMPROVEMENT

PAGES 11-12

EMERGING OPPORTUNITIES

PAGE 13

APPENDIX: SUMMARY OF FY16 SAVINGS

PAGE 14

FOLLOW US

Project management

Of the nearly 115,000 miles of road in Wisconsin, about 11,800 miles make up the State Highway System. While federal, state and Interstate highways account for only 10 percent of the system, they carry 60 percent of all traffic.

The primary focus of the state highway improvement program is on preserving the existing system. Less than 15 percent of construction costs are used to expand highway capacity where needed to improve safety and mobility.

BEST PRACTICES IN DESIGN

Programmatic exceptions to standards

\$21.6 million estimated FY16 savings

WisDOT worked with FHWA in calendar 2015 to streamline methodology allowing certain roadway features to remain as is, with no additional work, if historically the area has not experienced problems with safety. In the first year of using the new design standards, the Department tracked a cost avoidance of \$21.6 million (savings based on costs that would have been incurred had a redesign been mandated).

J-Turns

\$11.8 million estimated FY16 savings



While J-Turns are not the solution for every interchange, they have been found to increase safety and reduce cost in several WisDOT projects. Cost savings are estimated based on likely alternative construction options, which can require additional planning, material or real estate. In addition to being a safe alternative, J-Turns typically carry a price tag of roughly \$1 million, something that can often make them the most cost-effective intersections. Three J-Turns opened in Wisconsin in 2016. Compared to alternatives, the three created a cost avoidance of \$11.8 million.

- ▶ US 53/CTH B in Washburn County
- ▶ WIS 54/CTH U in Portage/Wood counties
- ▶ WIS 57/CTH C in Door County

<http://wisconsin.gov/Pages/safety/safety-eng/j-turn.aspx>

FY16 INNOVATIVE DESIGN PILOT

3D modeling

Shows 20–30 percent savings on construction costs for earthwork/paving

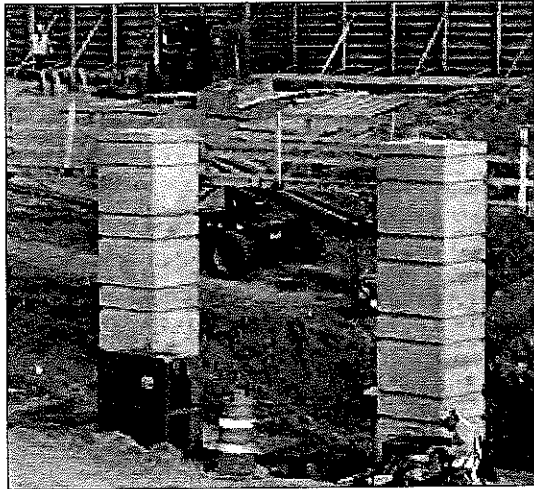


- ▶ WisDOT launched a pilot program in late 2015 to provide contractors with 3D Engineered Models on projects with a total earthwork bid price of approximately \$2.9 million.
- ▶ Although it is too early to say specifically what savings have been captured, our expectations are that the 3D models will save money by reducing risk and creating construction efficiencies.
- ▶ Assuming the FHWA's national figures of a 20–30 percent reduction apply, it's estimated the potential cost savings on these projects is \$740,000.

MEANS AND METHODS OF CONSTRUCTION

Project and design savings

\$38.5 million estimated FY16 savings



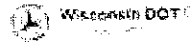
By closely evaluating project staging and practical options, WisDOT identified and implemented a number of cost-saving solutions statewide totaling \$38.5 million. Highlights include:

- ▶ **French drain:** An innovative ditch design that addressed the drainage needs of a flat area of the WIS 441 construction. The design reduced the amount of storm sewer and concrete barrier wall needed, and also avoided utility impacts. Total savings: \$3.2 million.
- ▶ **Practical design:** A decision to construct a high-level fixed bridge in Winneconne to replace an existing lift bridge as part of work on WIS 116 is creating \$7 million in direct savings and long-term maintenance cost avoidance.
- ▶ **Finishing faster:** Eliminating a temporary bridge from a project on US 51 in Marathon County saved \$500,000. This decision was made once traffic and staging plans were reviewed and determined that the schedule could be changed to complete work prior to Memorial Day to reduce traffic impacts.

BEST PRACTICES IN RESURFACING

Cold-in-place recycling

\$1.47 million estimated FY16 savings



Reusing materials on site means fewer dump truck runs, quicker projects and fewer delays.
bit.ly/2bPrK5b

93,450 tons of road surface recycled in 2016.
Enough to fill 4,600 quad-axle dump trucks.



Cold-in-place recycling mills existing road surface and processes the material on-site for reuse by way of a convoy of equipment that crushes and paves simultaneously. A total of 28.47 centerline miles of road were resurfaced using cold-in-place recycling this year, leading to an estimated on-site reuse of 93,450 tons of material—enough to fill more than 4,600 quad-axle dump trucks.

Hot mix asphalt-extended life

\$1.6 million estimated FY16 savings

Hot mix asphalt, a combination of stone, sand and gravel bound together by asphalt cement, has long been a cost-effective roadway pavement material. In recent years, the department has looked closely at ways to improve the effectiveness of hot mix asphalt and has developed methods to improve durability and performance. Testing on several projects this year, including WIS 13 north of Marshfield, US 51 north of Wausau, WIS 32 south of Chilton and WIS 33 east of St. Joseph has shown savings.

“WisDOT’s policies have resulted in some of the highest quality pavements and one of the most well-maintained pavement networks in the United States.”

Gerald F. Voigt, President/CEO
American Concrete Pavement Association

System operations

REFINED FOCUS FOR IMPROVED SERVICE

Electrical locating improvements

Savings assessment ongoing

During peak construction season, some WisDOT regions were seeing nearly 500 requests to locate underground systems including electrical cable, conduit and fiber optic cable used for traffic signals, ITS systems and roadside facilities. The department opted to develop contracted services in the NE, NW, SE and SW regions in order to save time and money. So far, we have seen monthly ITS locating cost reductions of over \$15,000.

Combined inspections

\$90,000 estimated FY16 savings

WisDOT's North Central Region is coordinating bridge and tub girder inspections to coincide whenever possible. This creates efficiency by completing multiple work operations within the same traffic control closures and utilizes teams of inspectors to complete inspections on over 55 other structures all within a few days.

FY16 LEAN INITIATIVE IMPROVEMENT

Contract closeout process

- ▶ As of February 2016, it was determined that the final contract closeout process was taking an average of 181 days, a significant decrease from the average of 325 days in 2013.
- ▶ Closeout time nearly cut in half

VALUE OF PARTNERSHIPS

WisDOT has long enjoyed valuable partnerships with county maintenance crews. A recent analysis of winter maintenance showed Wisconsin's cost per lane mile was \$2,149, versus nearly \$3,000 in Minnesota and more than \$3,600 in Michigan. Some of the state/county initiatives include:

Performance based maintenance

Savings assessment ongoing

The department partnered with counties on 182 Performance Based Maintenance (PbM) projects in FY16 valued at approximately \$18.2 million. The workload has increased dramatically since the 100 projects launched in the 2014 pilot. FY16 savings will be calculated as the projects close out. The PbM projects are meant to extend the life of pavements and bridge decks by standardizing best practices that hold down costs and reduce traffic impacts.

Liquid brine

\$1.3 million estimated FY16 savings

Last winter, WisDOT used seven million gallons of brine, which reduced treatment costs by \$39 per lane mile over 34,486 miles. Liquid brines are used to treat bridge decks and other trouble spots prior to winter storms and to dampen road salt prior to application, helping to minimize costs and overall use of road salt.

Statewide materials purchase program

\$138,700 estimated FY16 savings

Modeled after the statewide salt contract, the department developed a contract to take advantage of consolidated buying power for the statewide purchase of deck sealing and bridge deck protective surface treatment materials. Statewide, this created savings of roughly \$23 for every crack sealant kit and \$323 for every 55-gallon drum of bridge deck sealant, saving more than \$138,000.

Area-wide service providers

Savings assessment ongoing

WisDOT is working with county highway departments to save money by sharing certain responsibilities across county borders. Examples include anti-icing on backbone highway corridors to reduce salting costs and build more consistent safety and service levels. This past year, progress has been made in identifying new or expanded routine service opportunities.

FREIGHT PLANNING

Multimodal freight network tool



Savings assessment ongoing

WisDOT's Bureau of Planning and Economic Development worked with IT specialists to create a new tool allowing the department to map and analyze freight-related data. The desktop tool allows staff to complete tasks that traditionally required GIS expertise or software.

- ▶ Estimated annual staff hours previously = 200
- ▶ Estimated annual staff hours using new tool = 150

Rail GIS/SharePoint collaboration

Savings assessment ongoing

WisDOT staff, railroads, municipalities and citizens often need access to fragile historic railroad documents. WisDOT's Rails and Harbors Section is modernizing rail property records through an online, interactive and geographically-referenced database of state owned rail corridors.

This involved scanning and indexing over 10,000 historic rail records onto a WisDOT SharePoint site to seamlessly collaborate state-owned rail property and asset management with railroad and rail transit commissions. The data forms the records base for development of a GIS-based application to modernize rail property and asset management capabilities. The system allows for enhanced access to documents and data for ongoing management of state-owned rail corridors, WisDOT's Freight Railroad Preservation Program and Freight Railroad Infrastructure Improvement Program.

- ▶ Estimated annual staff time savings = 1,300 hours
- ▶ Estimated annual staff cost savings = \$40,000
- ▶ Elimination of about 200,000 pages of physical documents
- ▶ Estimated savings of \$7,500 in file storage costs

VALUE ENGINEERING (VE)

\$2 million estimated FY16 savings

The department held two cost-risk analysis workshops and one value engineering study in FY16. Due to the nature of individual project roll out and implementation, it is too early to determine full savings. A final report due in 2017 is expected to highlight two VE studies, as well as the risk-analysis workshops. In past years, WisDOT has realized a return on investment as high as 253:1 as value engineering studies focus on functions, values, priorities and needs. Although VE has created more than \$170 million in cost avoidance since 2014, it's important to note that the VE studies are not about cost-cutting as much as finding ways to build and design more effectively and efficiently.

System operations: service enhancements

ENHANCING DIVISION OF MOTOR VEHICLES SERVICES

Email notices for motor carriers

\$18,200 savings CY16

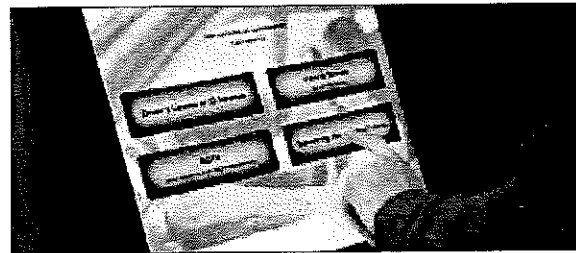
Email notification for tax filings and motor fuel tax renewal notices to trucking companies meets industry expectations and provides mutual efficiencies and cost savings.

- ▶ Eliminates five U.S. Postal Service mailings to over 4,000 carriers per year.
- ▶ Cost reduction = \$18,200 in postage, envelopes and printing.

iPad kiosks at DMV

Customer Service centers

\$11,000 savings FY16



The electronic kiosks help save time on vehicle registrations for DMV customers and staff. Additional transactions are being added to kiosks to further minimize wait times and the need for customers to take a number/ticket.

- ▶ Reduces registration renewals done at the counter by approximately 11 percent.
- ▶ 20 kiosks throughout the state save approximately 6.7 hours per day or 553 annual staff hours.
- ▶ Annual cost reduction of approximately \$11,000 for registration renewals.

FY16 LEAN INITIATIVE IMPROVEMENTS

DMV Service Center southwest scheduling

- ▶ Rebalanced the schedules of four DMV service centers in the SW Region to better fit customer demand
- ▶ One-time cost reduction = \$929 in travel costs
- ▶ Reduced variation in customer demand by 26 percent
- ▶ Three percent fewer customers affected by holiday closures

Late title reporting

- ▶ Annual staff hours repurposed = 106
- ▶ Ensured car dealerships and agents are meeting the statutory expectation for title processing

DMV travel site consolidation

\$90,000 estimated savings FY16

Consolidation of DMV travel sites generated a savings in staff time and limited the need to purchase equipment for travel teams. This involved an analysis of operational hours, locations and staffing needs at travel sites.

- ▶ Cost avoidance = \$90,000 by not purchasing new equipment
- ▶ Annual staff hours repurposed = 300

Seller notification online application

Savings assessment ongoing

The Wisconsin DMV established a new online service (Seller Notify) allowing customers to submit vehicle sales transactions electronically—mitigating the need for DMV staff to input information manually. Of the 16,748 vehicle sellers who submitted notifications from January to July of 2016, 83 percent were submitted via the online process. DMV developed the Seller Notify system through the state e-portal contractor, WIN, allowing development and implementation of the online application without using IT resources.

Innovation, research and technology

Our priority is to foster an organizational culture that supports innovative thinking and sharing ideas. We're focused on identifying opportunities for piloting, testing and adopting promising procedures, materials and technologies. This will lead to innovative approaches to complex issues, implementation of best practices and the deployment of modern tools. Combined, these efforts produce more efficient and timely delivery of transportation projects, safer public roads and higher-quality, longer-lasting infrastructure.

We advance research through the Wisconsin Highway Research Program and in other national and state pooled-fund efforts. The Federal Highway Administration (FHWA) has a number of programs to support innovation within state DOTs. These include Every Day Counts (EDC) and the Strategic Highway Research Program (SHRP and SHRP2).

EDC is a state-based model to identify and rapidly deploy proven, but underutilized innovations that shorten the project delivery process, enhance roadway safety, reduce congestion and improve environmental sustainability. WisDOT is a very active EDC participant in the program, participating in 38 of the 50 EDC innovations.

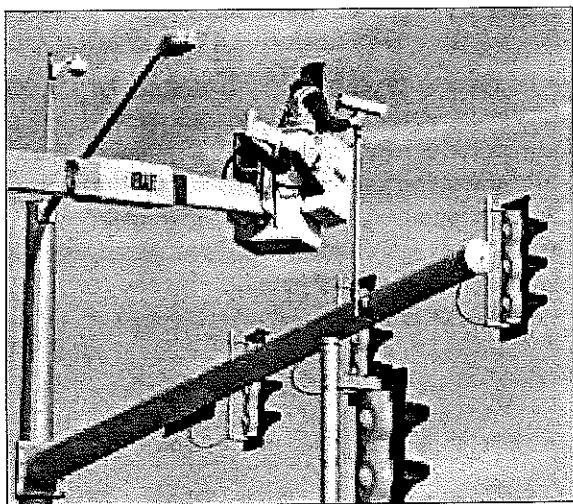
SHRP focuses on four key areas: safety, renewal, reliability and capacity. FHWA has made discretionary grants available to states through SHRP and SHRP 2. To date, we have received seven SHRP2 grants totaling over \$1.25 million.

MODERNIZING OUR ROADWAYS

LED lighting replacement

Savings assessment ongoing

On the Milwaukee Metro freeway systems in the past three years, WisDOT invested \$24.6 million to upgrade lighting system infrastructure. This includes poles, cabling, control systems and LED luminaries. Currently, 16 percent of the system is LED, the majority of which has been installed in conjunction with improvement projects.



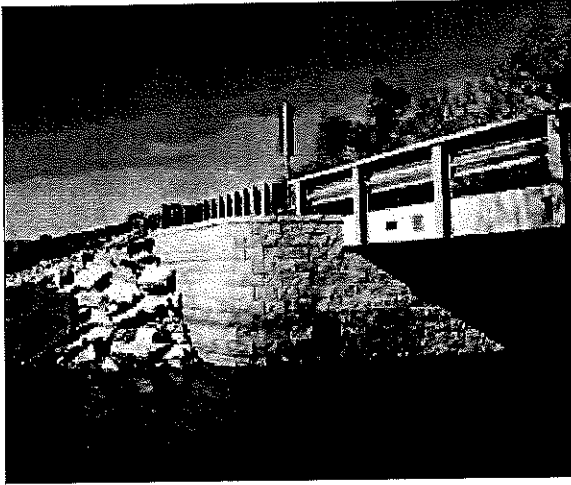
Advanced traffic signal systems

Savings assessment ongoing

During FY16, we continued to add remote communication to traffic signals to monitor their status and collect real time performance data. Currently, about 45 percent of signals have remote communication. Of those, approximately 170 signals are connected to our automated traffic signal performance metric system, a federal "Every Day Counts" initiative for which WisDOT has been an early adopter. This system allows us to make performance based decisions to reduce delay at intersections and improve traffic flow. We also expanded the number of WisDOT traffic signals that are adaptive; 15 intersections were added to an adaptive traffic signal system in the Janesville area. This technology was deployed on the I-39/90 alternate route to better manage traffic diversions during planned and unplanned incidents.

ACCELERATED BRIDGE CONSTRUCTION (ABC)

Savings assessment ongoing



Savings through ABC is projected to be \$5 million annually, factoring in shorter project duration, reduction in delays for motorists and freight, and lower risk of work zone crashes.

ABC technologies and techniques remain in the infancy stage. There were four ABC projects implemented in 2016. WisDOT is taking advantage of strategic initiatives and federal partnerships, such as SHRP2, to push the innovation forward. A federal grant and county match totaling nearly \$845,000 made two small bridge projects in Dodge County (CTH S and KW) possible to replace two WWII-era structures that were aging and falling into disrepair.

MODERN TOOLS FOR TODAY'S WORK

Pile driver analyzer

\$500,000 estimated FY16 savings

WisDOT began using this equipment based on industry research, best practices and positive experiences reported in other states. WisDOT worked with major stakeholders such as FHWA to adopt and implement the procedure. Computer equipment is used during pile installation to measure movement and applied load. This helps to create accurate and timely measurements that can save on material costs by optimizing piling depth. Total savings since using the equipment exceed \$3 million.

Concrete pavement thickness measurement

\$28,000 estimated FY16 savings

MITSCAN T2 is a new non-destructive technology that replaces contractor probing and WisDOT coring to determine concrete pavement thickness. This technology allows us to verify the thickness of all concrete paving projects.

Trimble GE07X GPS devices

Savings assessment ongoing

WisDOT has 30 Geo7X Trimble devices deployed after a successful pilot that began in FY16. The devices ensure accuracy to within a centimeter. Trimble technology was used during the St. Croix Crossing project. The subcontractor's original measurement would have led WisDOT to pay for three extra inches of base over 1,300 feet, avoiding a \$10,000 expense by using the more precise device for project oversight.

In addition to its use on highway projects, the Division of State Patrol has fully implemented Trimble devices for mapping crash scenes. In 2016, the department saved 475 hours in staff time by leveraging this technology. By mapping scenes faster, law enforcement officers spend less time in dangerous roadside situations and the likelihood of secondary crashes is reduced.

ENHANCED CONNECTIONS FOR EFFECTIVE PROJECTS

Automated parcel mapping

8,000 hours staff time

Automated parcel mapping, which links the department's real estate system with a Wisconsin Department of Administration database, has saved the equivalent of four full-time jobs over the past year.

DocuSign

Estimated FY16 savings = time savings

Decreases average review and approval by three weeks

DocuSign is a tool that will allow the department to electronically sign documents that were previously routed to various individuals to be signed before being delivered via hard copy to the Governor's Office for the final signature. Since launching the process in July, we have saved three weeks in review and approval time.

Time of use metering for street lighting

\$150,000 estimated FY16 savings

The Northeast Region has worked with local utility companies to get "Time of Use" metering on lighting used in off-peak hours.

Mobile devices: tablets/smart phones

Average time savings = eight hours per week for bridge inspectors



Bridge inspectors have gained an average of eight hours in productivity each week through the use of smart phones and tablets. The technology keeps a world of information and connectivity right at the inspectors' fingertips when out in the field.

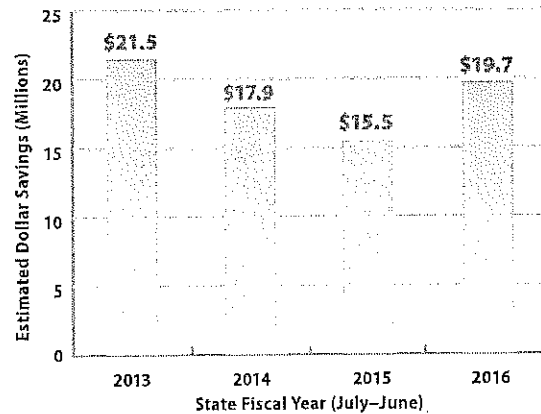
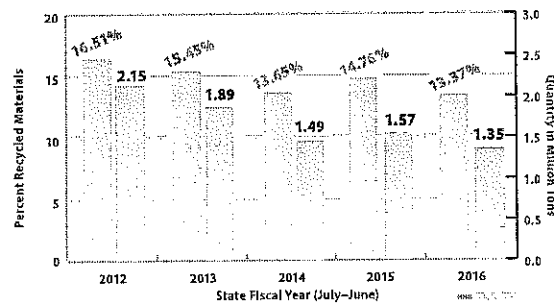
RECYCLING

Recycled materials

\$19.7 million estimated FY16 savings

The department's goal is to have 10 percent of virgin materials replaced with recycled materials in projects and to continually strive to improve by increasing the tonnage and finding new materials to recycle. Materials include fly ash, slag, shingles, pavement materials, and foundry sand.

Figures: Recycled materials used in pavement and bridge construction



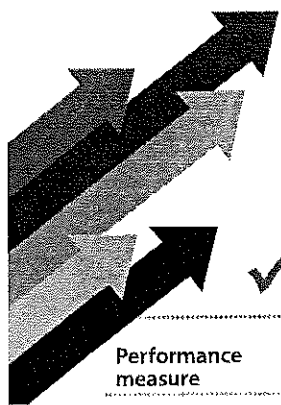
Creating a culture of continuous improvement

Our department's MAPSS Performance Improvement Program focuses on the five core goal areas of Mobility, Accountability, Preservation, Safety and Service. MAPSS is helping us be more transparent about the performance of the state transportation system and be a data-driven agency that makes cost-effective decisions.

In 2012, Governor Walker signed an Executive Order requiring every state agency to implement Lean strategies to support continuous improvement.

Lean Six Sigma is an internationally-recognized program that uses facts, data and statistical analysis to improve existing processes. Approximately 425 WisDOT employees are trained to use Lean Six Sigma tools to analyze current practices with the goal to improve customer service, save time and taxpayer dollars.

To date, WisDOT has completed over 47 Lean projects with projected savings of \$1.5 million and roughly 30,000 hours of staff time that can be redirected to other department priorities.



October 2016

Wisconsin Department of Transportation MAPSS Performance Scorecard

Goal has been met
 Performance is trending in a favorable direction
 Trend is holding
 Performance is trending in an unfavorable direction

Performance measure	How we measure it	Current report period	Goal	Goal met	Trend	Comments
Accountability: The continuous effort to use public dollars in the most efficient and cost-effective way.						
<u>Transportation Economic Assistance grants</u> Calendar year 2016	Capital investment dollars achieved per grant dollar awarded	\$190.96	\$50.00			During the first half of 2016, the department issued three grants for a total of \$2,134,000, allowing for a capital investment of \$407,500,000 and resulting in the creation of 486 new jobs. As a result, every grant dollar leveraged \$190.96 in capital investments.
<u>Timely scheduling of contracts</u> State fiscal year 2016	Percent of highway program funding scheduled during the first six months of each fiscal year	57.1	54.0			WisDOT continues to make improvements to ensure our processes allow sufficient time for effective resource planning and competitive bidding. A new goal of 54 percent was established in SFY 2015.
<u>On-time performance</u> Calendar year 2015	Percent of highway projects completed on-time	94.3	100.0			WisDOT deployed mobile devices to improve communications in the field and resolve issues in a timely manner. Other innovations were also implemented during the year.
<u>On-budget performance</u> State fiscal year 2015	Final highway project cost as percent of original contract amount	103.8	103.0			WisDOT implemented a new methodology that better demonstrates the final average cost of all construction projects. The 2015 figure is the lowest in the last six years (a lower number is better).
<u>Surplus property management</u> State fiscal year 2016	Dollar value of surplus land sold	\$7.01 mil	\$2.75 mil			The surplus land sales exceeded the SFY2016 sales goal with one hundred and twenty-seven parcels sold, selling twenty more parcels than SFY2015.

The Wisconsin Department of Transportation MAPSS Performance Scorecard reviews five key goals and over-arching performance measures that guide us in achieving our mission "to provide leadership in the development and operation of a safe and efficient transportation system." Establishing goals and measuring results is essential to running a successful organization and meeting public expectations.

For more information on MAPSS, visit www.mapss.wi.gov

Emerging opportunities

In addition to the FY16 savings, already quantified, the department strives every day for continuous improvement. Some of these emerging opportunities include:

Opportunity	Description
Streamlining Project/ Contract Management	The department began invoicing electronically through CARS (Contract Administration Reporting System) in July 2015. Efforts are continuing to build on this system with the implementation of Aurigo MasterWorks in mid-2017. The project management software will enhance communications and transparency in the department's work with consultants, saving time and money.
Winter Plow Route Optimization	The Bureau of Highway Maintenance has been working with GIS technology in an effort to cover more ground—faster—in county-led plow operations. Early results have been encouraging in Dane and Green counties with the analysis identifying reduction in cycle times and the number of left hand turns. This creates benefits in terms of operational efficiencies and safety. In Brown County, the optimization comes at an opportune time as 160 lane miles have been added to the system. Despite this, the county does not foresee a need to add equipment or staff.
Salt Storage	With the optimization of snow plow routes, the department will begin to have a better understanding of where salt storage facilities can be placed for the most effective distribution. These changes have potential to save time and money, as optimizing capacity will enhance the department's readiness for inclement weather and decrease the need for emergency purchases.
Area-wide Service Providers	WisDOT is working with county maintenance teams to save money by sharing some responsibilities across borders. Examples include anti-icing on backbone highway corridors to reduce salting costs and build more consistent safety and service levels. This past year, progress has been made in identifying new or expanded routine service opportunities.
Unmanned Aerial Vehicle Bridge Inspection	UAVs or "drones" have been tested for use in the collection of aerial imagery for survey applications as well as some bridge inspection applications. WisDOT is engaging in a pilot project in hope of using UAVs to reduce time/cost while increasing safety for bridge inspection workers.
WAZE Connected Citizen Program	Waze Connected Citizens Program agreement will allow the exchange of data with public agencies to share information about incidents, traffic speeds, road closures, etc. in return for Waze's crowd-sourced user data and quality indicators at no cost to the Department. This will improve service without increasing costs through enhanced clarity of incident reporting and increased information for emergency responders. Crowd-sourced data will potentially avoid the need for future camera installations to monitor traffic and detect incidents. WisDOT will gain attribution as a contributor on the Waze website, which is a free advertising/branding opportunity.

Opportunity	Description
Project Development Process	The North Central Region completed a process review of their project review process from project identification through preliminary design to identify ways of making improvements to reduce scope changes with the goal of improving program stability. The process review involved several focus group meetings with staff in all functional areas to identify areas for process improvements. The result was a new region project development process that incorporates more investigation during scoping to ensure a solid scope is defined prior to beginning design.
TC3 Courses	TC3 is a technical service program within AASHTO that focuses on developing training products for technical staff in the areas of construction, maintenance and materials. This is an example of the department more fully utilizing a strategic partnership with AASHTO. In October, the department began publishing a number of training courses for staff on the Learn Center (intranet) page. The major benefit to the training comes as employees gain the opportunity to sharpen their technical knowledge on a topic without the added cost of more formalized additional schooling.

Appendix: Summary of FY16 savings

PROJECT MANAGEMENT

Title	Savings
Programmatic exceptions to standards	\$21.6 million
J-Turns	\$11.8 million
Project and design savings	\$38.5 million
Cold-in-Place recycling	\$1.47 million
Hot Mix Asphalt-extended life	\$1.6 million

SYSTEM OPERATIONS

Title	Savings
Combined inspections	\$90,000
Liquid brine	\$1.3 million
Statewide materials purchase program	\$138,700
Value engineering	\$2 million
Email notices for motor carriers	\$18,200
iPad kiosks at DMV Customer Service centers	\$11,000
DMV travel site consolidation	\$90,000

INNOVATION, RESEARCH AND TECHNOLOGY

Title	Savings
Pile driver analyzer	\$500,000
Concrete pavement thickness measurement	\$28,000
Time of use metering for street lighting	\$150,000
Recycled materials	\$19.6 million

TOTAL SAVINGS: \$98.9 million

Follow us

WisDOT uses social media to let people know more about our efforts to innovate and be more efficient, and the public is responding.

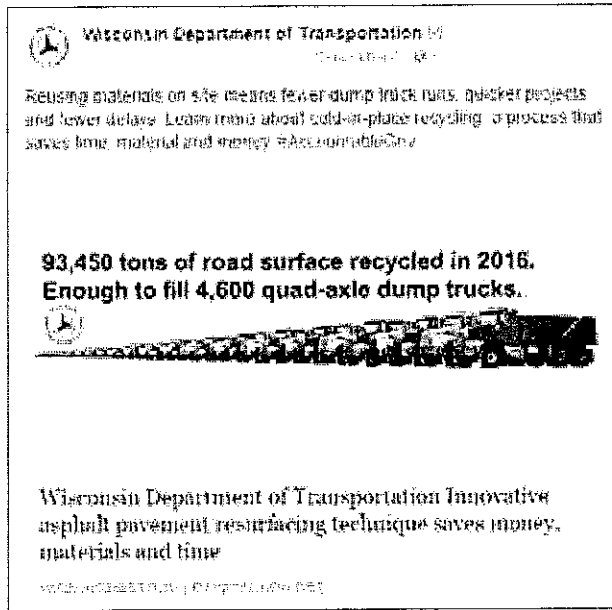
Follow us on social media to find out more about how we're doing things better, faster and at a lower cost.

Total number of #AccountableGov Tweets: 32
(August 2016 – November 2016)

Total impressions: 164,408

Total engagements: 2,153

Total retweets: 159



Wisconsin Department of Transportation
wisconsin.gov





22 EAST MIFFLIN STREET, SUITE 900
MADISON, WI 53703
TOLL FREE: 1.866.404.2700
PHONE: 608.663.7188
FAX: 608.663.7189
WWW.WICOUNTIES.ORG

MEMORANDUM

TO: Honorable Members of the Assembly Committee on Transportation

FROM: Kyle Christianson, Director of Government Affairs *kc*

DATE: December 6, 2016

SUBJECT: 2017-19 WisDOT Budget Request

There has been significant debate among infrastructure stakeholders since the Wisconsin Department of Transportation (WisDOT) submitted its 2017-19 budget proposal to the Governor in mid-September. Over the past few months, the Wisconsin Counties Association (WCA) has reviewed the proposal and traveled the state sharing the budget plan with counties. This culminated with an unprecedented "Turnout for Transportation" event where local officials from throughout the state came together on a single night to discuss transportation. The resounding takeaway from those meetings was clear: we must find a long-term solution to funding our state's infrastructure needs.

There is no debate over the necessity of the county aid increases included in the WisDOT budget. The budget provides an 8.1 percent increase in county general transportation aids (GTA) over the biennium; money counties use to maintain the county trunk highway system. The budget also increases funding for the local bridge program by \$5 million and provides an 11 percent increase over the biennium in the Local Road Improvement Program (LRIP).

Counties appreciate the local aid increases included in the WisDOT budget. It is important, however, to acknowledge the current state of the county highway system. According to best practices, county highways should be resurfaced every 20-25 years. Based on a survey completed by the Wisconsin County Highway Association, which inventoried the actual miles resurfaced on the county system over the last five years, the average resurfacing cycle currently stands at 86 years. Best practices also indicate the reconstruction lifespan of a county highway ranges from 40-50 years. Again, based on survey results, the average county road reconstruction cycle is 196 years—nearly four-times longer than the expected life of a properly engineered and constructed road.

Based on this reality, it should come as no surprise that significant needs remain at the local level. The only solution to funding our local transportation needs are ongoing, sustainable aid increases made possible through a growing state transportation fund.

Since the release of the WisDOT budget, counties have been asked if the proposed increases are adequate. Counties have responded that the budget should not simply be viewed in a vacuum, but rather in a broader context that considers what impact this plan will have on budgets two, six, or ten years from now. Counties are less concerned with the specific percentage of aid increases in any single year, and are more concerned that an increase be sustained and increased upon in future years. With a shrinking transportation "pie," this is unquestionably not possible. The lack of a long-term solution to funding infrastructure leaves Wisconsin with a transportation network—from local roads and bridges to state highways and interstates—that continues to deteriorate.

If Wisconsin is to be successful in the future, our private sector needs to thrive. This requires smart young talent, available capital for growth and expansion of facilities, and a strong soft and hard infrastructure. Wisconsin appears poised to begin addressing the soft infrastructure of broadband with the Governor's announcement last week of the state's investment to expand broadband in rural Wisconsin. The hard infrastructure (our surface transportation network) appears to be more of a challenge and yet it is precisely what is needed if we are to have a thriving and vibrant private sector in this state.

We encourage the committee to work with legislative colleagues and the Governor to ensure the proposed local aid increases are sustainable by finding a long-term solution to our state's infrastructure needs.

Please feel free to contact WCA if you need additional information.

WISDOT 2017-19 Biennial Budget Impacts for Racine County

County Executive Delagrave:

Pursuant to your request, please find background information you may find helpful when considering discussion points to be used when giving testimony to our State representatives on the effects concerning deferred transportation monies.

This information is derived from a current snapshot of State highway maintenance needs/issues and the realities of what is problematically projected into the future concerning maintenance due to the lack of funding for major projects (i.e., I-94 reconstruction) in Racine County.

The following bullet points are suggestions for you to consider when presenting your testimony on Tuesday December 6, 2016:

History:

- In late October of 2014, I-94 was milled and overlaid with approximately 2" of asphalt at a cost of \$9,275,000.00. (See photos below and on Page 2.)

Photos illustrating pavement condition prior to the 2014 I-94 resurfacing project:





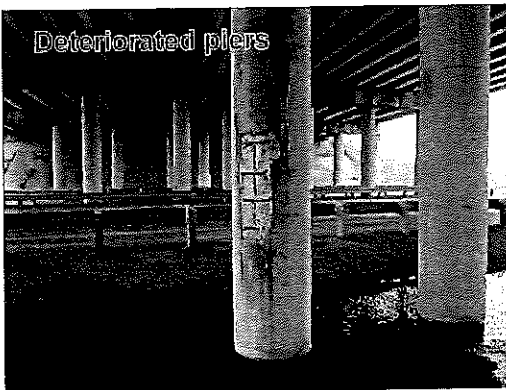
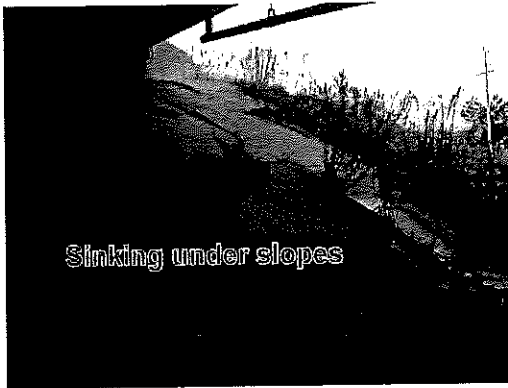
NOTE: Reference this "before resurfacing" photo to photo on Page 5, "Highway 11 expansion joint", illustrating road deterioration after resurfacing project.



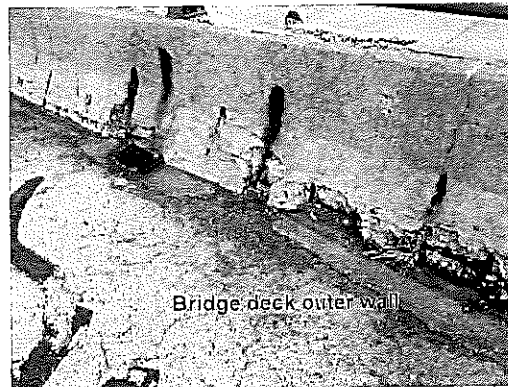
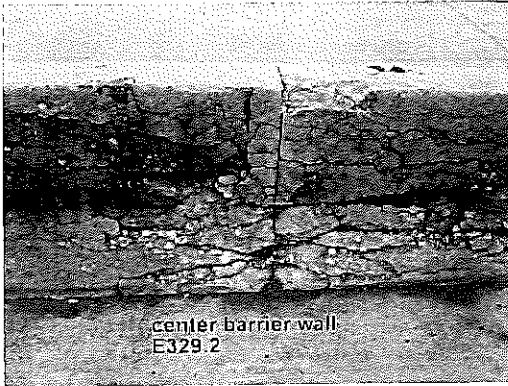
NOTE: Reference this "before resurfacing" photo to photo on Page 6, "bridge deck expansion joint", illustrating road deterioration after resurfacing project.

- In the construction season of 2015, through routine maintenance, Racine County resurfaced I-94 bridge decks and took care of other maintenance needs at the cost of \$158,000.00.
- In the construction season of 2015, using discretionary monies, Racine County replaced I-94 culverts, temporarily correcting drainage issues at a cost of \$370,000.00.
- I-94 Interchange Bridges: None of the Racine County interchanges are currently deemed deficient. However, maintenance is very high on these old structures built in the late 1950's. (See photos on Page 3.)
- WISDOT has prioritized the Ryan Road (Milwaukee County) and STH "11" (Racine County) bridge replacements, but only if and when funding becomes available.
- Reconstructed and completed interchanges are as follows: CTH "G" (completed in 2010) and STH 20, plus CTH "C" (completed in 2015).

- All State bridges on the I-94 system, other than the three recently reconstructed, require a significant amount of consistent maintenance attention that will entail high costs to remain in compliance with bridge standards.

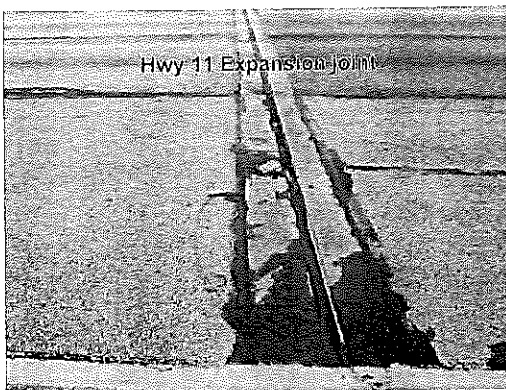
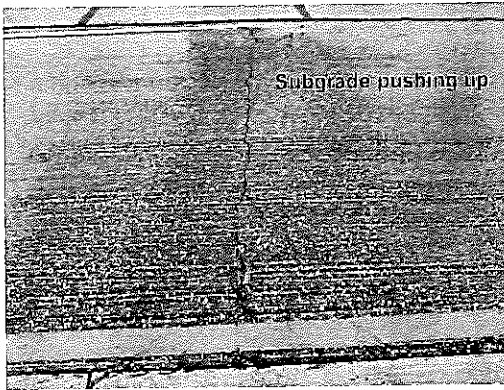


- Deterioration of current center I-94 barrier wall. (See photos below.)



Current to Date:

- The repaving work done on I-94 in 2014/2015 is showing significant signs of wear (only after 2 years). (See photos below and on Page 6.)



NOTE: Reference this photo taken on November 30, 2016 (after completion of the resurfacing project), to the "before resurfacing" photo on Page 2. Road is already deteriorating.



NOTE: Reference this photo taken on November 30, 2016 (after completion of the resurfacing project) to the "before resurfacing" photo on Page 2. Road is already

- It is important to keep in mind that **NO** major prep work to correct the problem beneath the surface was done; instead, it was simply a mill and fill project meant for a **short term fix**. This short time fix was not meant to hold in place until the year 2021, which is the current projected date for the I-94 reconstruction.
- It is my understanding that all the plans are on the shelf to move this major I-94 project forward today. However, as time passes, plan/study updates will need to be done, potentially adding significant costs to the overall project.
- In some sections of the newly resurfaced I-94 system in Racine County, delamination of pavement has already required additional repairs.
- Some of the reasons for the delamination are contributed to bad base, drainage issues, and sink holes/voids beneath the pavement surface not visible to the eye.
- It is imminent that within a year from now, or less, potholes, various drainage structure failures, sink holes and voids will again be problematic, leaving Racine County roadways in bad condition, the same as in 2014.
- When pavement delamination is significant, as in 2014, the safety of traveling motorists' lives is a major concern. (For example, falling into a pothole, losing control of one's vehicle and causing an accident.)

Other concerns to be considered are:

- (1) The safety of the County highway crew making the emergency repairs on the I-94 corridor that are typically done at night in response to a problem.
- (2) Claims filed against Racine County that have to be defended for alleged damages caused by highway deficiencies.
- (3) Delays to I-94 traffic due to lane closures while necessary repairs are made.

It is important that there is an understanding that highway departments can only do maintenance work, not road rebuilding projects.

Additional money received from the Governor's budget will help with local projects (GTA) and State maintenance, but in reality will not fix the I-94 infrastructure problems that will continue to be problematic with no resolution in sight. This is an impossible situation for Racine County to deal with and to stay ahead of.

The I-94 repairs made to date are nothing more than a black band aid that is not sustainable due to the infrastructure below being substandard and in need of complete reconstruction.

If you'd like additional information or if I may be of further assistance, please don't hesitate to contact me.

Sincerely,

David Prott

David Prott
Superintendent of Highways and Parks



131 W. Wilson St., Suite 505
Madison, Wisconsin 53703
phone (608) 267-2380; (800) 991-5502
fax: (608) 267-0645
league@lwm-info.org; www.lwm-info.org

League's Position on the State's 2017-2019 Transportation Budget

The State needs to pass a long-term, equitable, and sustainable solution to the revenue shortage in the Transportation Fund. It is imperative that the State's Transportation Fund be adequately, equitably, and sustainably funded to build and maintain a modern transportation system that works seamlessly to move commerce and people. A safe, efficient, and well maintained transportation system, including transit, is critical to Wisconsin's economic prosperity and quality of life.

Local Aids. The percentage of local transportation related costs that the state reimburses has steadily declined, shifting ever more of the cost onto property taxpayers. When the current general transportation aid formula was established in 1988, cities and villages received payments covering 24 percent of their costs. Today, general transportation aid payments equal on average about 13 percent of city and village costs.

The 2011-2013 state budget cut GTA funding for cities and villages by \$20 million. GTA funding for towns was not cut in the 2011-2013 budget. County GTA funding was cut by \$10 million.

The 2011-2013 state budget also cut funding for the mass transit operating aids program by 10 percent. Some of that cut was restored in the 2013-2015 state budget. Nevertheless, state funding for transit is less today than it was five years ago.

Levy limits do not allow local government to make up for the deterioration of state funding.

Unless the Legislature and the Governor reverse this unsustainable trend by passing a long term solution to the growing revenue shortage in the Transportation Fund, we will not have the ability locally to maintain the quality infrastructure that Wisconsin needs to compete successfully with other states for jobs and workers.

We Support DOT's proposed increase in Local Aids for the 2017-2019 Biennium. The Governor has proposed increases in local aids in the next state budget.

GTA. DOT's budget request recommends increasing funding for cities and villages under the General Transportation Aids program by \$23 million over the current biennium, a 6.3% increase.

LRIP. DOT's budget request recommends increasing funding for cities and villages under the Local Roads Improvement Program (LRIP) by \$9.3 million, with most of that increase (\$8 million) going to the LRIP Discretionary Program. The \$8 million represents a 412% increase over the current biennium. Funding for the LRIP Discretionary Program is currently heavily skewed in favor of towns. In the current state budget cities and villages are provided \$1.9 million while towns receive \$11.5 million. The proposed increase to the discretionary program represents a long needed catch-up in funding for cities and villages.

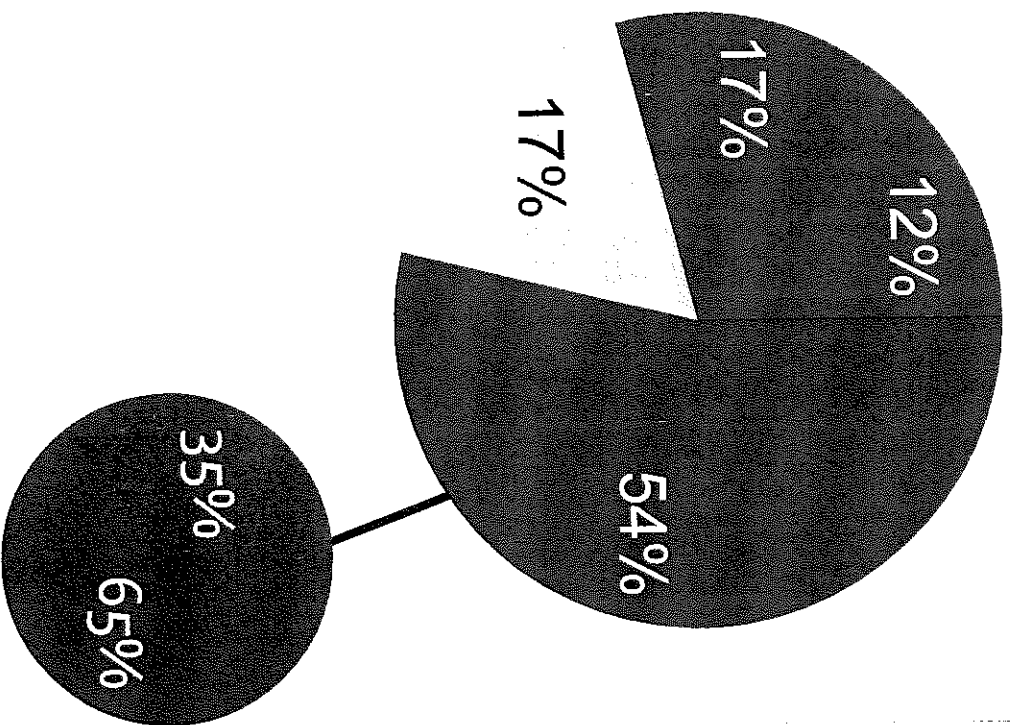
YOUR VOICE. YOUR WISCONSIN.

Mass Transit Aids. DOT's budget request includes no increases in funding for the mass transit operating assistance program.

Conclusion. The budget proposed by Governor Walker's Department of Transportation provides much needed increases in local transportation aids, placing municipalities in a better position to maintain streets over the next two years. This proposed increase in local aids, however, must be viewed in the context of the entire transportation budget. The League is committed to working with the Governor and Legislature to find a long-term sustainable solution to our state's infrastructure needs that guarantees Wisconsin's entire transportation system—including municipal streets, mass transit systems, and state highways—are maintained and where necessary, improved, well into the future.



System Composition



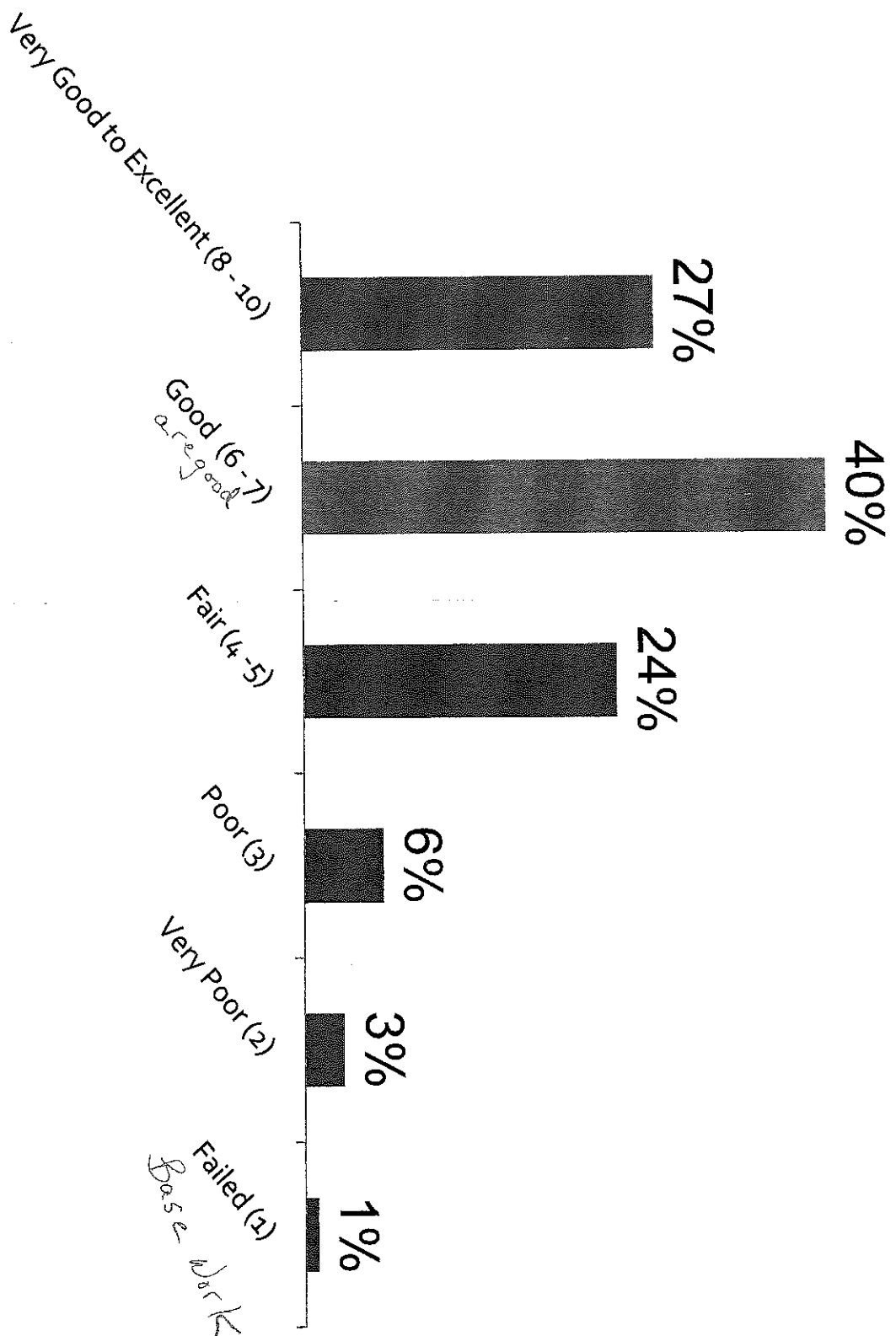
■ Paved
■ Unpaved

- Town Roads
61,908 Miles
County Roads
- City and Village
- State, Connecting, Other

Sources:

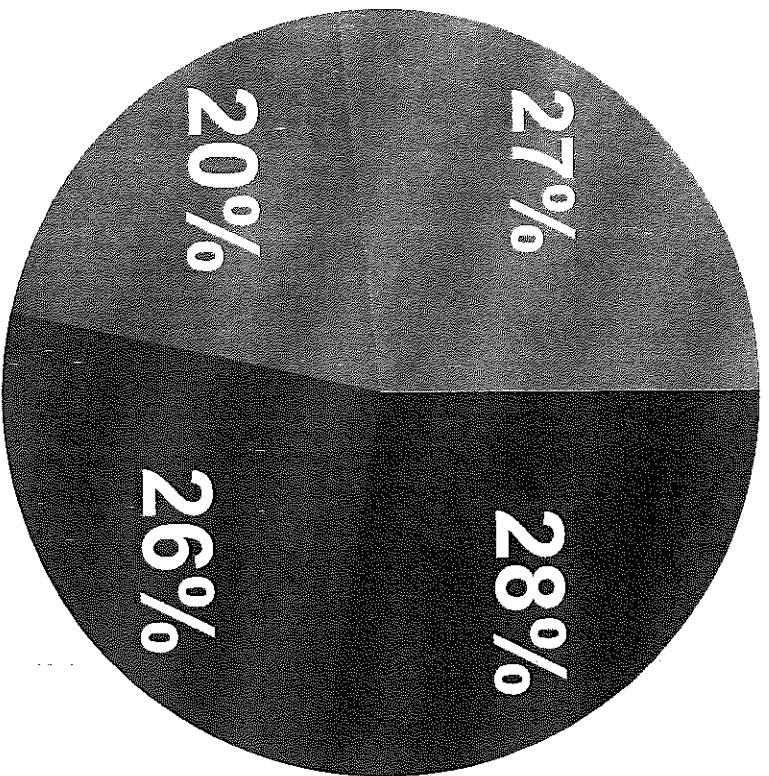
LFB Informational Paper 2015 #40
WisDOT Paved Road Totals WTA Data Request 2016

2015 Town PASER Ratings



Source: WISDOT Paved Road Totals WTA Data Request 2016

73% of Town PAVED System Needs Maintenance



28 ■ Reconstruction -
Asphalt

26 ■ Seal Coat

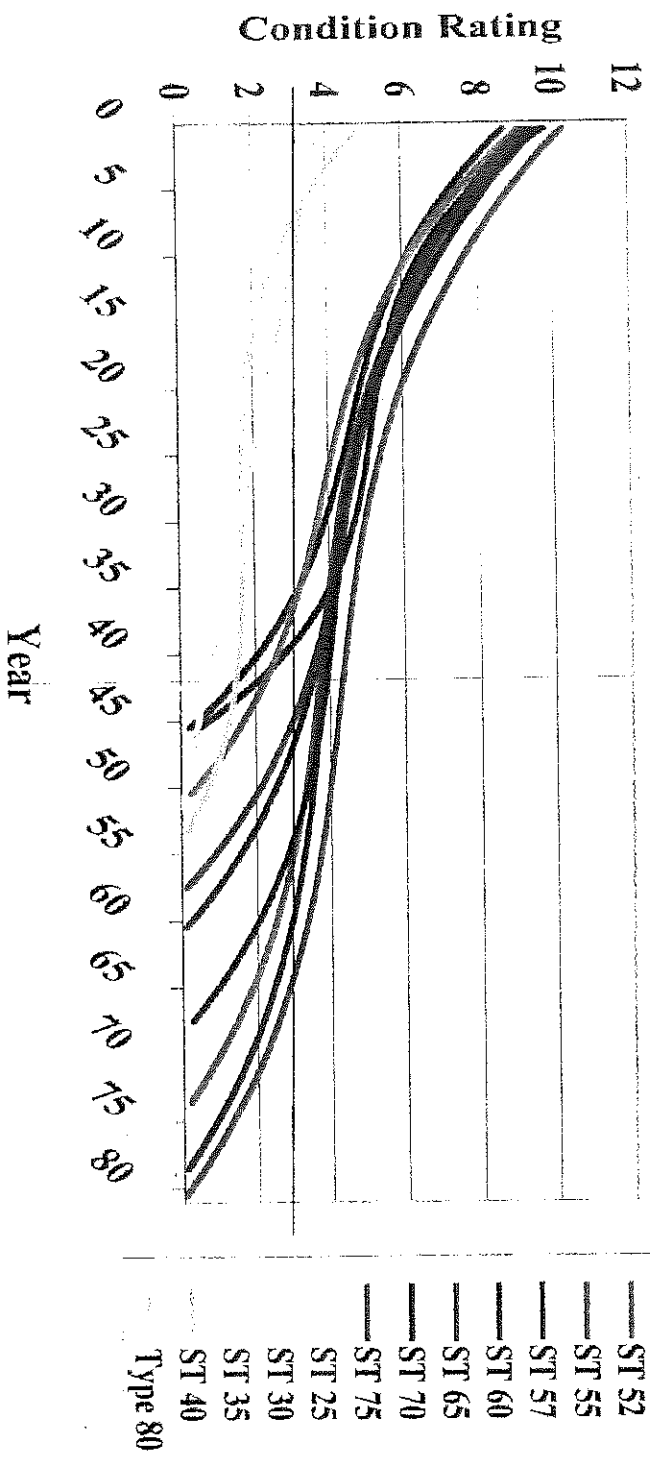
20 ■ Crack Filling

27 ■ Nothing

Source:

WisDOT Paved Road Totals WTA Data Request 2016
PASER Asphalt Roads Manual UW-Madison Transportation Information Center

Local Road Pavement Deterioration Curves



From : Wisconsin Information System for Local Roads - WISLR

Source: UW-Madison Transportation Information Center

Most Productive and Efficient Maintenance & Replacement Schedules

Crack Filling	3 Years
Sealing	5 – 7 Years
Mill & Overlay - Overlay	20 - 35 Years
Reconstruction	40 – 70 Years

Source: 2016 Survey of Town Road Maintenance Procedures

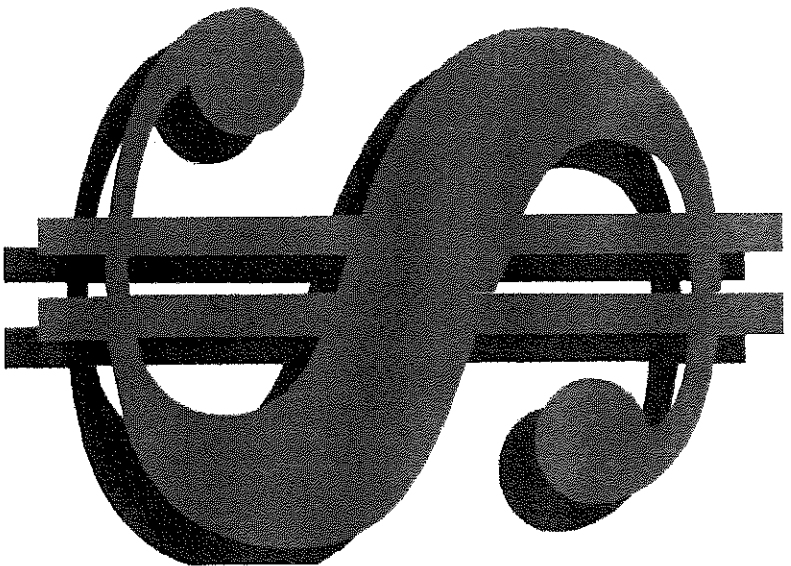
Maintenance & Replacement Schedules

	Most Efficient & Productive	Current
Crack Filling	3 years	16.1 Years
Sealing	5 – 7 Years	31.4 Years
Mill & Overlay - Overlay	20 – 35 Years	62.9 Years
Reconstruction	40 – 70 Years	370.8 Years

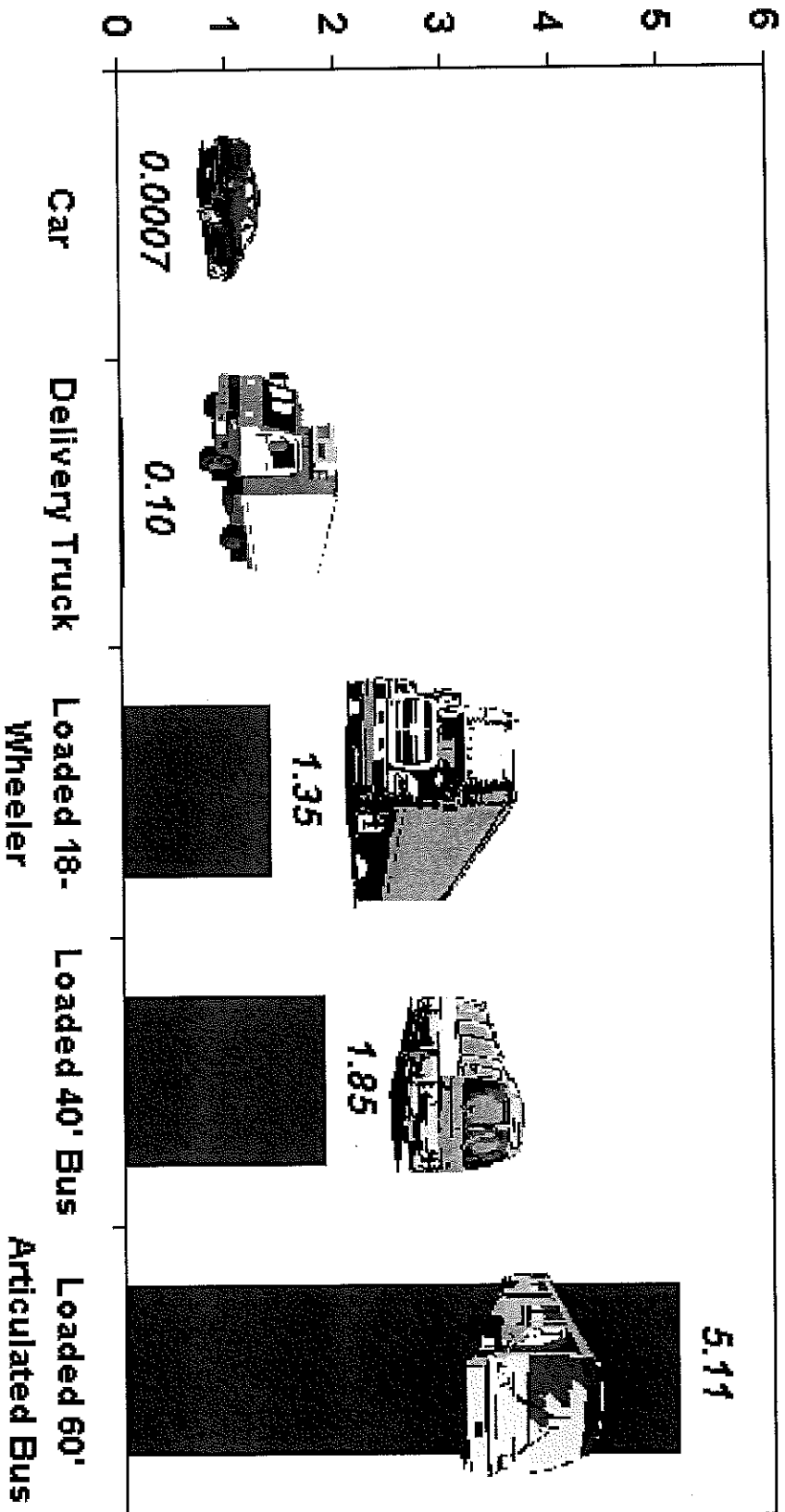
Source: 2016 Survey of Town Road Maintenance Procedures

What is the required investment?

*Factory 1/351
2000*



ESALs per Vehicle



One Semi = 1,928 Cars

At 50 ADT, One Semi = 10 semis is year of cars



**John Deere 8230
1.2 ESALS**

At 50 ADT – 11 tractors is a year of cars



- * 1000 Animal Unit (CAFO) – 700 Cow Dairy (no calves, heifers)
- * Each cow produces 10,000 gallons of manure per year
- * Farm produces 7,000,000 gallons of manure
- * Legally loaded for GVW but over slightly on axle weight = 3380 gallons
- * 2071 Trips per Year

Pavement Life Reduction (years) - Fatigue Model
 "Fair Soils" - AASHTO
 A2-4 Clayey Sand Soils
 50 Year Design Life

	<u>100</u>	<u>250</u>	<u>500</u>	<u>1000</u>	<u>2000</u>	<u>4000</u>	<u>5000</u>
Trips per Year							
# of Cow Dairy (no replacements)				350	700	1400	1750
Decreased Life (in years) 3" asphalt over 6" gravel	0	0	8	20	30	38	40
Decreased Life (in years) 5-1/2" asphalt over 9" gravel	0	0	0	0	0	7	14
Life maintained by heavier cross section (years)	0	0	8	20	30	31	26

Source: UW-Madison Transportation Information Center



Wisconsin Towns Association Written Testimony
Assembly Committee on Transportation
12/6/16

(Please also see accompanying slides)

- I. Thank you Chairman Ripp, members of the committee for providing an exciting opportunity to help increase understanding of how the current budget proposal impacts the transportation dilemmas that are plaguing Wisconsin's towns and our economy.
- II. I have here with me today, Kevin Koth, Chair of the Town of Bradley in Lincoln County, Steve Dickinsen, Chair of the Town of Garfield in Jackson County, and Jerry Derr, Chair of the Town of Bristol in Dane County.
- III. In the next 30 minutes, we will collaborate to share a story that describes a transportation system in peril, that if not fixed, will significantly and negatively impact the quality of life in Wisconsin and will prove a drag on an economy which, according to the Wisconsin Taxpayers Alliance, is more dependent on the transportation intensive industries of manufacturing, agriculture, and trucking, than every state except Indiana. Our economy is twice as dependent as the US economy on these industries, and yet we have a transportation system that does not reflect that fact.
- IV. I will begin our comments by thanking Secretary Gottlieb for several things. First, we want to thank him for his strong commitment to transportation for many years. I am now in my 29th month as the Executive Director of an Association that is passionate about roads, and I can honestly say that there is nobody that could be a better Secretary of Transportation in today's environment than Mark Gottlieb. I also want to thank the Secretary for including local road funding in his budget request to the Governor. According to my predecessor, Rick Stadleman, who was with WTA since 1976, he cannot recall a substantial request from a Secretary or Governor and town road funding was typically generated by the legislative branch.
- V. The Secretary's request, as you know, would provide for \$65 million in local road funding, including \$8.9 million in town road funding. This is a much needed increase and will begin the long journey toward achieving adequate local bridge, road, and culvert construction and maintenance. \$7.0 million of the \$8.9 million would go toward GTA. This would increase per road mile aid by \$88. One question we immediately were asked when this was announced was, "What does \$88 per mile mean when the rubber hits the road?"

As you have likely read in one of several press releases by WTA, the Town of Bradley in Lincoln County, Kevin's Town, recently reconstructed a road at a cost of \$125,763 per mile. This is a pretty typical town road and not designed to consistently handle the heavy weights

of the agriculture, logging, and mining industries. The additional GTA in this budget proposal would allow for the Town of Bradley to construct 0.03 miles a road.

The Town of Bristol, Jerry's Town, also recently reconstructed a road at a cost of \$442,081 per mile. The significant cost difference between Kevin's road and Jerry's road is that the Town of Bristol chose to build the road to a standard necessary to handle heavy ag traffic and grow the agriculture economy. If we are to have a 21st century agriculture, logging, and mining economy, we have no choice but to design some of our first and last mile roads to handle heavier weights. The additional GTA in this budget proposal would allow for the Town of Bristol to construct an additional 53 feet of road.

- VI. As you all know, following the Secretary's request, Governor Walker announced his intention to enhance the percentage increase for towns to 8.5% by adding \$14.6 million in GTA. This is a tripling of the Secretary's GTA proposal and brings the total town road funding increase to \$23.5 million. We are pleased that the Governor heard and responded to the concerns of town officials and started us on the path toward achieving adequate construction and maintenance schedules.
- VII. During the legislative process, we would ask that you as transportation leaders enhance the current proposal by not only further advancing us on that path, but also by achieving a metric we've been asking to accomplish for several years. Namely, WTA is asking that any proposal also have a long term focus and be sustainable.
- VIII. In addition to written testimony, I've provided some slides that will help illustrate how the current proposal does not achieve the metric of long term and sustainable. The first slide is an odd one, I know. It is a picture of the human heart. The heart is an amazing machine that beats 100,000 times per day and will pump 1 million barrels of blood in a lifetime. It pumps blood to the 75 trillion cells that make up the human body through an elaborate network of capillaries. (Slide 1)
- IX. Next to the heart is a picture of the human capillary network. If we were to take each of our capillaries and stretch them out in a straight line, they would stretch 60,000 miles, enough to go around the world 2.5 times. Ironically, there are also about exactly 60,000 miles of town roads in Wisconsin that we like to think of as our economy's capillaries. (Slide 1)
- X. No serious athlete would ever consider investing in his heart and not his capillaries or in his capillaries and not his heart. A strong economy cannot exist without both a strong heart and strong capillaries. Any long term and sustainable transportation solution must invest in the whole system. There are plenty here today that can talk about the lack of investment in the

main arteries. We are here today specifically to help you understand the challenges facing the town capillaries.

- XI. As I just said, the current proposal certainly starts us on a path toward adequate construction and maintenance schedules. Unfortunately, we're starting from so far behind and our construction and maintenance schedules are so abysmal that a much greater and permanent investment is needed.
- XII. On the next slide, you will see several graphs that illustrate the system make up. There are almost 62,000 miles of town roads in Wisconsin. This is 54% of the road system. 65% of the town road system is paved (about 40,000 miles) and 35% is unpaved. Most of the data I will show you today focuses on the paved portion of our system and, consequently, doesn't show the whole picture. The whole picture would, quite frankly, be even worse. (Slide 2)
- XIII. The next slide shows our PASER ratings as provided to me by WisDOT. It is a pavement surface rating system that ranks roads on a scale from 1 to 10. Before I describe our numbers, it is important to note that this is a pavement rating system. It does not take into account the condition of the base, the ditches, or the culverts. One of the concerns we're increasingly hearing from town officials is that PASER describes the system as better than it actually is because many roads are just new black window dressing on a very poor foundation – or what a lot of them call lipstick on a pig. That critique aside, let me describe the condition of the town system. (Slide 3)
- XIV. 27% of the system is rated as very good to excellent. According to PASER, no maintenance procedures are needed for these roads. Many practitioners, however, will tell you that even roads rated 8 and 9 should be receiving a crack fill. According to PASER, for the remaining 73%, almost 30,000 miles, some form of maintenance is needed.

40% of the system is in good condition. This means that it needs either a crack fill or a chip seal. Jerry's town just did a pretty typical chip seal and it cost \$16,000 per mile.

24% is rated as fair. This rating is a particularly important one because some who aren't inclined to fund transportation have indicated how much of Wisconsin's system is in fair or better condition, using that as a badge of honor. It is critical that we consider what "fair" means. It means the road either needs a chip seal, the procedure Jerry just did for \$16,000, or it needs an overlay of blacktop. Having a lot of our system in "fair" condition isn't something to really write home about.

6% of our system is in poor condition, which requires a thick overlay and likely a milling and then an overlay.

3% is in very poor condition, meaning it needs full reconstruction with some base work.

1% is completely failed, meaning it needs full reconstruction with complete base work.
(Slide 3)

- XV. The next slide breaks this down in a more usable fashion. 20% of our system needs crack filling. 26% needs seal coating. And, 28% needs new blacktop, milling with new blacktop, or complete reconstruction. (Slide 4)
- XVI. This slide begs two questions. First, how well are towns doing at addressing these needs? Second, how much is it going to cost to actually build and maintain a system adequately?
- XVII. Regarding the former, how well are we doing, we recently asked all of our towns for the data that they provide to WisDOT on what they have been doing with their roads. We needed it summarized in a fashion differently than WisDOT does so we unfortunately we couldn't extract it from the WISLR system. Over 75% of the towns responded, which gives us a statistically significant result. The data allows us to calculate maintenance and replacement schedules.
- XVIII. Before I tell you what ours are, let me share with you what they should be. Being new to roads, I talked to dozens of professionals in the field and engineers at the UW, and as you can imagine they have different thoughts. And, admittedly there are many, many caveats to consider so there reasonably are recommended ranges.
- XIX. Here you see a decade old graph produced from WisDOT data that shows different lifespans of roads depending on the type of road. What the experts at the UW Transportation Information Center tell me is that, if designed and maintained correctly, based on this data you should be able to get a town road to last 70 years. (Slide 5)
- XX. The key words there are, if designed and maintained correctly. Because the weights have increased over the course of the last decade and our roads are not designed for that, this graph certainly shifts toward the left. Furthermore, our maintenance procedures are less frequent than they should be, which also moves this to the left. Not maintaining the investment to last as long as designed is very inefficient and not fiscally conservative. So, in reality, this graph moves a lot further left, meaning a road can't last 70 years.
- XXI. The next slide shows you what is recommended. I found a large consensus on crack filling and chip sealing. Crack filling should occur every 3 years and chip sealing every 5 – 7 years.

An overlay or mill and overlay should happen at mid-life, between 20 and 35 years, and complete reconstruction should occur every 40 – 70 years. (Slide 6)

XXII. Here is the town's schedule. I know it seems unreal and almost hyperbole, but the data unfortunately doesn't lie. On average, which is a very important term, but on average a road that was crack filled 16 years ago would be crack filled today. A road that was chip sealed 31 years ago, would be chip sealed today. A road that was milled and overlaid or just overlaid 63 years ago, would be overlaid today. And, a road that was completely reconstructed 371 years ago, would be reconstructed today. As you can see, our current schedule is far from what is recommended. (Slide 7)

XXIII. The second question is how much would it cost. Well, I have refused to give this answer since the day I started because there are so many caveats, in fact, dozens of caveats. That said, the time has come to provide an educated assessment. And, it doesn't even matter, quite frankly, if we're just in the ballpark because any number would be so big that the lesson is that we need to start chipping away by developing a long term and sustainable solution.

XXIV. We used two methodologies to produce two different numbers. One methodology was produced by a private sector engineer and the other the UW.

One of the important caveats is that these numbers create an adequate 20th century system. An important policy question for leaders in this building is whether or not we want a 20th century or 21st century system. For towns, a 21st century system, means being able to accommodate the weight of the 21st century agriculture, mining, and logging economies. Another important caveat is that these numbers do not create "excellent" roads all around. At any given point in time, there will be roads in each of the PASER categories. In fact, a certain percentage, somewhere around 2% to 4.5% depending on the methodology used to create the number will be completely failing every year.

Wisconsin Railroad Association

BNSF
CN
Canadian Pacific
WSOR/Watco

Date: December 12th, 2016
To: Assembly Committee on Transportation
From: The Wisconsin Railroad Association
Re: Informational Hearing on WisDOT's 2017-19 Biennial Budget Proposal

Good afternoon Chairman Ripp and members of the Assembly Transportation Committee. My name is **Peter Kammer** and I'm with the Wisconsin Railroad Association.

Thank you for inviting the railroads here today to provide the committee some background on how railroads interact with Wisconsin's Transportation budget.

There are 10 railroads currently operating in Wisconsin. They include both Class One Railroads that do business in Wisconsin and around the country and own and maintain their own tracks, right of ways and locomotives. Short Lines also operate in Wisconsin and they lease tracks from the state and primarily operate within Wisconsin.

In 1980 the Staggers Rail Act led to enhanced railroad maintenance and capital expenditures on track and rolling stock. Since 1980, the railroads have spent over \$600 billion on capital and maintenance of their tracks and equipment across the country. From 1990 to present, capital expenditures more than tripled, starting at \$3.6 billion and climbing to \$13.1 billion. Railroads have been a deregulation success story.

So, while Railroads build, maintain and improve their own infrastructure they will also be contributing over \$40 million a year to the 2017-19 WI Transportation Budget as you will hear more about from Ken Lucht.

Thank you.

Wisconsin Railroad Association

BNSF
CN
Canadian Pacific
WSOR/Watco

My name is **Ken Lucht** of the Wisconsin & Southern Railroad. I'm also representing the Wisconsin Railroad Association.

With over 3,300 miles of railroad lines here in the State of Wisconsin, there are 10 active, privately owned freight railroads that move over 200 million tons of freight within and across our state each year. Our Class I Railroads help move product long distances across our nation, including into and out of Wisconsin. Our Short Line and Regional Railroads help serve the first and last mile connections between Wisconsin businesses and our Class 1 Railroads. Wisconsin is fortunate to have these vital connections within the state that help move product to local, national and global markets. By 2030, freight rail demand here in Wisconsin is forecasted to double.

Whether it's sugar or corn used for making syrup, or grain and sand used for producing renewable energy sources, rail plays a big role in moving commodities across our state's transportation network, safely and efficiently. More importantly here today, rail plays a big role in freeing up capacity on our federal, state and local roads, by having over 200 million tons of freight moving on our railroads each and every year. Additional capacity on our roads means safer roads, less deteriorated roads, and overall better roads for Wisconsinites to travel each year. Wisconsin's railroads will continue doing our part in moving commerce within and across our great state over the long-term.

We are pleased to provide the following comments on the proposed budget submitted by the Wisconsin Department of Transportation:

Railroad Revenue – Ad Valorem Tax

Each year, WisDOT receives revenue from railroads based on the value of their rolling stock, engines and terminals. Over the next biennium, this tax will increase 12% to \$44.3M (second year).

Railroad Crossing Improvement Funding (State & Federal)

With increasing demand for rail and over 4,000 public at-grade railroad crossings across the state, Railroad Crossing Safety remains our biggest concern. The Wisconsin Railroad Association supports the recommended funding for Railroad Crossing Improvements, including

Wisconsin Railroad Association

BNSF
CN
Canadian Pacific
WSOR/Watco

\$2.1M each year over the biennium. This helps fund maintenance, installation and repairs for active and passive warning devices at public railroad crossings across the state. Properly planned and adequate warning devices helps reduce incidents and injuries at our 4,000 at-grade public crossings.

Our association also supports continued federal funding of \$3.2M each year over the biennium, which is administered by WisDOT for grade crossing projects, including signalization, surface improvements, and signage.

Staffing at the Office of the Commissioner of Railroads

The Wisconsin Railroad Association supports a fully staffed and independent Office of the Commissioner of Railroads (OCR). A full staff, independent of WisDOT, will help alleviate investigation backlogs and support increased investigation needs impacting railroad safety across the state. All administrative costs for OCR are paid 100% by Wisconsin Railroads through an annual assessment. This is in addition to railroad ad valorem revenue, and state/local taxes that railroads pay annually.

Freight Railroad Preservation Program (FRPP)

The Freight Railroad Preservation Program (FRPP) enables WisDOT to invest in publicly-owned railroad lines that require capital upgrades to today's modern standards. FRPP investments are made to modernize the system, avoid out of service conditions, and make the publicly-owned system safe. Today, the department has identified over \$130 million of projects that are needed on the current system. The department has requested \$12M in FRPP for the upcoming biennium – a 70% decrease from the current funding level of \$35M.

Currently, Wisconsin & Southern Railroad has identified over 91 railroad bridges in near failure status and 250 miles of track that need capital upgrades to modern railway standards. The recommended cut to FRPP funding will have an adverse effect on safety, economic development and job growth throughout the state.

According to a recent report from Wisconsin & Southern Railroad, over 700 jobs were created during this current two-year budget and close to 300 more jobs are on the way. **Over 1,000 jobs** are directly attributable to smart, sound investments in freight rail throughout our state. Private sector investments in freight rail such as industry sidings, facility expansions, offices, property, plant and equipment amounted to over **\$164 Million** according to a recent survey of rail-dependent industries over the last three years.

Wisconsin Railroad Association

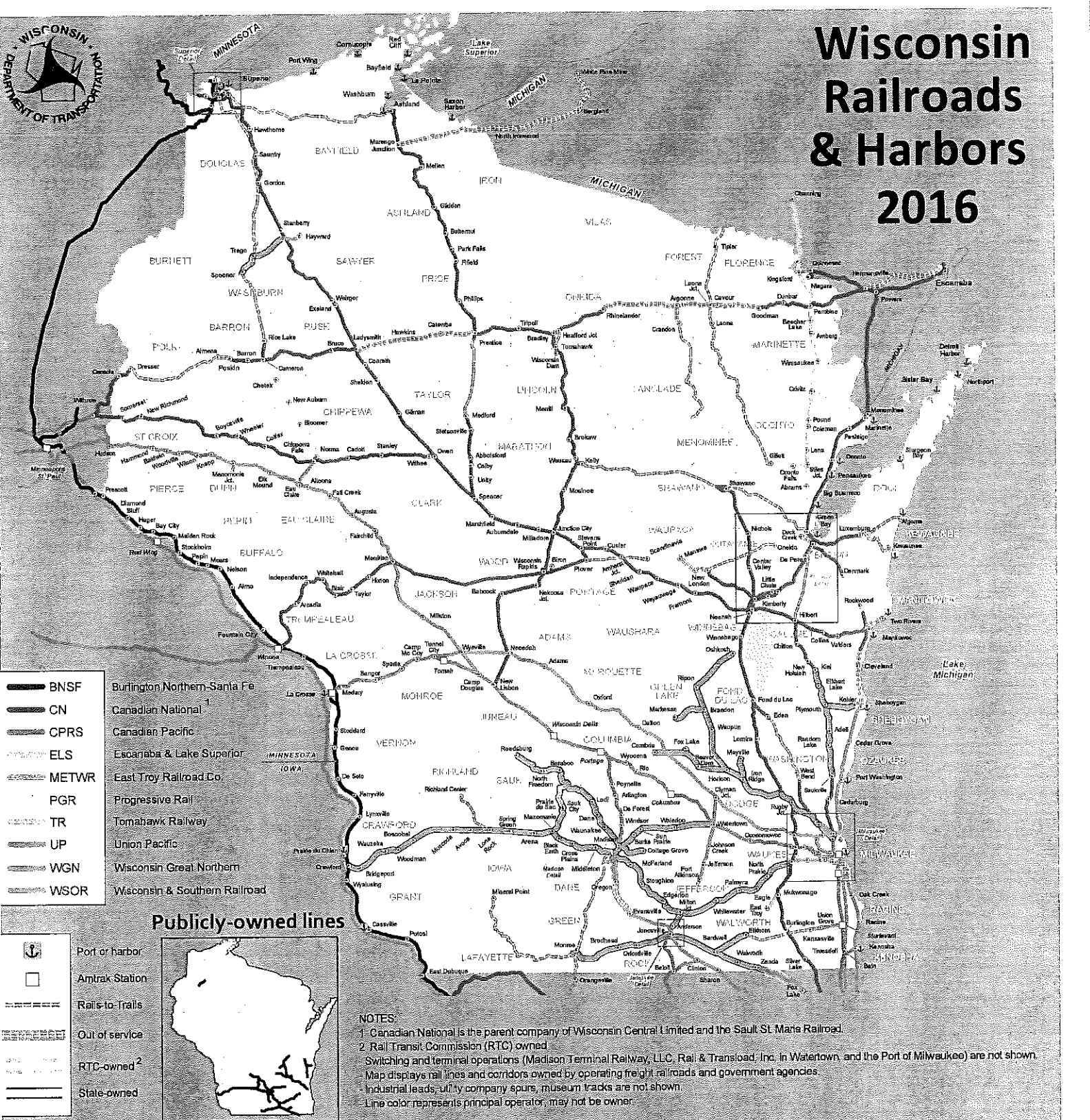
BNSF
CN
Canadian Pacific
WSOR/Watco

Wisconsin & Southern Railroad asks Governor Walker and the Wisconsin Legislature to appropriate \$20M in the upcoming biennium to accomplish capital priorities over the next two years. A \$20M appropriation is supported by our local partners - 19 Counties represented by three Rail Transit Commissions.

THANK YOU!



Wisconsin Railroads & Harbors 2016



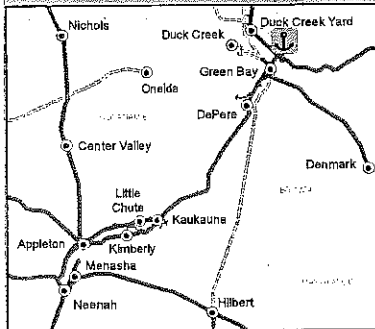
- BNSF Burlington Northern-Santa Fe
- CN Canadian National
- CPRS Canadian Pacific
- ELS Escanaba & Lake Superior
- METWR East Troy Railroad Co.
- PGR Progressive Rail
- TR Tomahawk Railway
- UP Union Pacific
- WGN Wisconsin Great Northern
- WSOR Wisconsin & Southern Railroad

- Port or harbor
- Amtrak Station
- Rails-to-Trails
- Out of service
- RTC-owned²
- State-owned

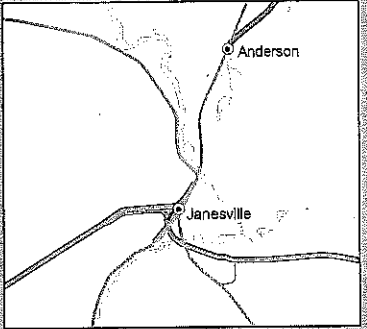


NOTES:
 1. Canadian National is the parent company of Wisconsin Central Limited and the Sault Ste. Marie Railroad.
 2. Rail Transit Commission (RTC) owned
 Switching and terminal operations (Madison Terminal Railway, LLC, Rail & Transload, Inc. in Watertown, and the Port of Milwaukee) are not shown.
 Map displays rail lines and corridors owned by operating freight railroads and government agencies.
 Industrial leads, utility company spurs, museum tracks are not shown.
 Line color represents principal operator, may not be owner.

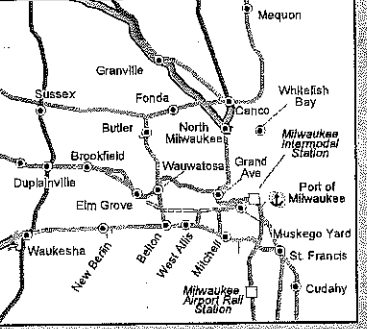
Fox River Valley



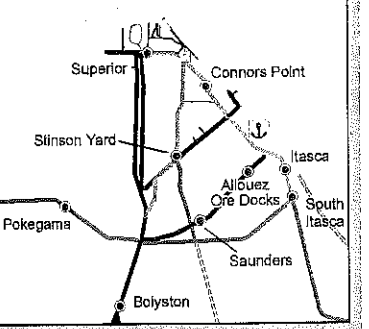
Janesville



Milwaukee



Superior



Assembly Committee on Transportation

December 6, 2016 10:00a.m.
State Capitol, Madison, WI

Remarks by Ken Lucht Wisconsin Railroad Association Phone (414) 750-6402

My name is Ken Lucht of the Wisconsin & Southern Railroad. I'm also representing the Wisconsin Railroad Association (WRA).

With over 3,300 miles of railroad lines here in the State of Wisconsin, there are 10 active, privately owned freight railroads that move over 200 million tons of freight within and across our state each year. Our Class I Railroads help move product long distances across our nation, including into and out of Wisconsin. Our Short line and Regional Railroads help serve the first and last mile connections between Wisconsin Businesses and our Class 1 Railroads. Wisconsin is fortunate to have these vital connections within the state that help move product to local, national and global markets. By 2030, freight rail demand here in Wisconsin is forecasted to Double.

We are pleased to provide the following comments on the proposed budget submitted by the Wisconsin Department of Transportation:

Railroad Revenue – Ad Valorem Tax

Each year, WisDOT receives revenue from railroads based on the value of their rolling stock, engines and terminals. Over the next biennium, this tax will increase 12% to \$44.3M (second year).

Railroad Crossing Improvement Funding (State & Federal)

With increasing demand for rail and over 4,000 public at-grade railroad crossings across the state, Railroad Crossing Safety remains our biggest concern. The Wisconsin Railroad Association supports the recommended funding for Railroad Crossing Improvements, including \$2.1M each year over the biennium. This helps fund maintenance, installation and repairs for active and passive warning devices at public railroad crossings across the state. Properly planned and adequate warning devices helps reduce incidents and injuries at our 4,000 at-grade public crossings.

Our association also supports continued federal funding of \$3.2M each year over the biennium, which is administered by WisDOT for grade crossing projects, including signalization, surface improvements, and signage.

Staffing at the Office of the Commissioner of Railroads

The Wisconsin Railroad Association supports a fully staffed and independent Office of the Commissioner of Railroads (OCR). A full staff, independent of WisDOT, will help alleviate investigation backlogs and support increased investigation needs impacting railroad safety across the state. All administrative costs for OCR are paid 100% by Wisconsin Railroads through an annual assessment. This is in addition to railroad ad valorem revenue, and state/local taxes that railroads pay annually.

Freight Railroad Preservation Program (FRPP)

The Freight Railroad Preservation Program (FRPP) enables WisDOT to invest in publicly-owned railroad lines that require capital upgrades to today's modern standards. FRPP investments are made to modernize the system, avoid out of service conditions, and make the publicly-owned system safe. Today, the department has identified over \$130 million of projects that are needed on the current system.

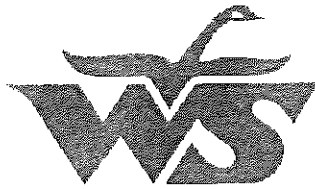
Additionally, Wisconsin & Southern Railroad (the contract operator for the state-owned railroad network) has identified over 91 railroad bridges in near failure status and 250 miles of track that need capital upgrades to modern railway standards.

The department has requested \$12M in FRPP for the upcoming biennium – a 70% decrease from the current funding level of \$35M. The recommended cut to FRPP funding will have an **adverse** effect on safety, economic development and job growth throughout the state.

According to a recent report from Wisconsin & Southern Railroad, over 700 jobs were created during this current two-year budget and close to 300 more jobs are on the way. **Over 1,000 jobs** are directly attributable to smart, sound investments in freight rail throughout our state. Private sector investments in freight rail such as industry sidings, facility expansions, offices, property, plant and equipment amounted to over **\$164 Million** according to a recent survey of rail-dependent industries over the last three years.

Wisconsin & Southern Railroad asks Governor Walker and the Wisconsin Legislature to appropriate \$20M in the upcoming biennium to accomplish capital priorities over the next two years. A \$20M appropriation is supported by our local partners - 19 Counties represented by three Rail Transit Commissions.

THANK YOU!



Wisconsin & Southern Railroad L.L.C.

1890 E. Johnson Street
Madison, Wisconsin 53704
Phone (414) 438-8820 www.walcocompanies.com

September 28, 2016

Honorable Governor Scott Walker
State of Wisconsin
115 East State Capitol
Madison, WI 53702

RE: **SUPPORT \$20 Million Appropriation for Freight Rail Preservation Program (FRPP)**

Dear Governor Walker

On behalf of over 200 Wisconsin Businesses that depend on safe and efficient rail service each and every day, the Wisconsin & Southern Railroad asks for your support for a funding level of \$20 Million for the Freight Railroad Preservation Program in the upcoming 2017/2019 budget. Rail traffic across our nation is expected to double in the next 20 years and rail demand in Southern Wisconsin alone is expected to increase 15% over the next biennium.

In order to operate trains safely and efficiently, a modernized rail system is essential. At present, there are nearly 100 public railroad bridges that are in desperate need of capital rehabilitation or we face potential "out of service" conditions in those areas. In some areas our trains can only operate at 10 mph due to deteriorated track conditions such as 100 year old rail and critical bridges. Operating at restricted 10 mph speeds adversely impacts efficiency & productivity here in Wisconsin and can lead to derailments. At present, we have approximately \$60 Million in FRPP applications that are awaiting grant awards.

Investment in the state-owned railroad system makes good economic sense. According to a survey conducted by the University of Wisconsin-Madison, the 200+ businesses currently served by the state-owned railroad system collectively generate the following:

- **Over 34,000 jobs statewide**
- **\$1.76 Billion in Labor Income & \$2.88 Billion in Total Income, Annually**
- **\$5.92 Billion Annually in industry sales**
- **\$292 Million in State and Local Government Revenues, Annually**

With your support, Wisconsin & Southern Railroad will continue to build Wisconsin's economy by creating new jobs and helping to enhance industrial & agricultural tax bases. Wisconsin & Southern Railroad asks for your support for a \$20 Million FRPP appropriation.

Sincerely,

Ken Lucht, Director of Government Relations
Wisconsin & Southern Railroad L.L.C.

WISCONSIN RIVER RAIL TRANSIT COMMISSION

PO Box 262 • 20 S Court Street • Platteville, Wisconsin 53818
Alan Sweeney, Chair • Commission Office Phone 608.342.1637 • Fax 608.342.1220 • Website www.wrrtc.org
MEMBER COUNTIES: CRAWFORD • DANE • GRANT • IOWA • JEFFERSON • ROCK • SAUK • WALWORTH • WAUKESHA

October 7, 2016

Honorable Scott Walker, Governor
State of Wisconsin
115 East Capitol
Madison, WI 53702

RE: Request of \$20 Million for Freight Rail Preservation Program (FRPP)

Dear Governor Walker:

Since 1980, the Wisconsin River Rail Transit Commission (WRRTC) has been actively involved in preservation and enhancement of freight railroad corridors throughout the southern part of the State of Wisconsin. WRRTC's long standing partnership with the Wisconsin Department of Transportation and our nine member counties have resulted in a stronger freight rail system that strives to meet the continuing needs of our agricultural, industrial & manufacturing economies.

The Freight Railroad Preservation Program (FRPP) is a catalyst for economic development. Without this program, there would be widespread "disinvestment" in our rail corridors as many local projects could not be funded. According to a recent report from Wisconsin & Southern Railroad, over 700 jobs were created during this current two-year budget and close to 300 more jobs are on the way. **Over 1,000 jobs** are directly attributable to smart, sound investments in freight rail throughout our state. Private sector investments in freight rail such as industry sidings, facility expansions, offices, property, plant and equipment amounted to over **\$164 Million** according to a recent survey of rail-dependent industries over the last three years.

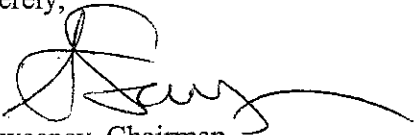
At our October 7, 2016 meeting, our board learned of a recommendation to cut FRPP funding by two-thirds from \$35 Million to only \$12 Million. As you know, previous state budgets had decreased this program already by up to 50%, in addition to the current proposal. With over 91 railroad bridges at Priority 2 or 3 status (near failure) and 250 miles of track that need capital upgrades to modern railway engineering standards, the recommended cut to FRPP funding will have an adverse effect on safety, economic development and job growth within our member counties and throughout the state. Currently, our contract operator Wisconsin & Southern Railroad has approximately \$60 Million in FRPP applications that are awaiting funding.

According to a UW Extension study – "*Economic Impact Study of the Publicly-Owned Railroad System in Wisconsin*", nearly 200 rail-dependent businesses employ more than **34,000 people** across the state-owned rail system. The study also found these businesses generate approximately **\$1.76 Billion in labor income** and **\$2.9 Billion in total income** annually in order to keep their businesses functioning. More importantly, these rail-dependent businesses generate an additional \$290 Million in state and local government revenues each and every year.

At its October 7, 2016 meeting, the WRRTC Board took action to support a \$20 Million appropriation for the Freight Railroad Preservation Program (FRPP) in the upcoming 2017/2019 State Biennial Budget.

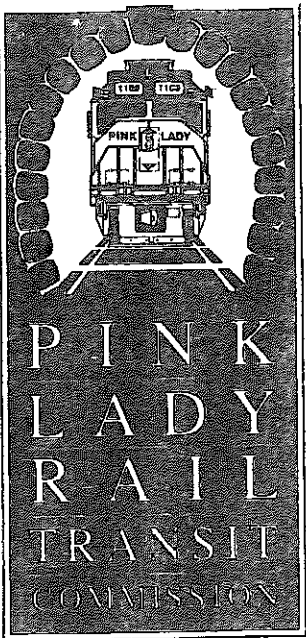
The WRRTC kindly asks that you consider the real benefits of this program and support a \$20 Million appropriation for FRPP.

Sincerely,

A handwritten signature in black ink, appearing to read 'Al Sweeney', with a long, sweeping horizontal stroke extending to the right.

Al Sweeney, Chairman
Wisconsin River Rail Transit Commission

cc: WRRTC Legislative Delegation



SAUK COUNTY

CITY OF REEDSBURG

CITY OF BARABOO



November 8, 2016

Governor Scott Walker
State of Wisconsin
115 East Capitol
Madison, WI 53702

RE: Request of \$20 Million for Freight Rail Preservation Program (FRPP)

Dear Governor Walker,

Since 1988, the Pink Lady Rail Transit Commission (PRTC) has been actively involved in preservation and enhancement of the freight railroad line from Madison to Reedsburg Wisconsin. We staved off a rail abandonment effort in the 1980's and have worked tirelessly to improve communications with DOT, the rail users, the communities and WSOR our rail provider. We have seen rail use grow to impact 14 firms in Sauk County. There are over 2600 rail dependent jobs in our County with over a \$150 million payroll.

We were extremely pleased that the State DOT purchased the line from Madison to Reedsburg two years ago and even more pleased that the state has committed to rebuilding the Merrimac bridge. These acquisitions and improvements could not have happened without the Freight Railroad Preservation Program (FRPP). The PLRTC's long standing partnership with the Wisconsin Department of Transportation and WSOR have resulted in a stronger freight rail system that strives to meet the continuing needs of our agricultural, industrial & manufacturing economies.

The Freight Railroad Preservation Program (FRPP) is a catalyst for economic development. Without this program, there would be widespread "disinvestment" in our rail corridors as many local projects could not be funded. According to a recent report from Wisconsin & Southern Railroad, over 700 jobs were created during this current two-year budget and close to 300 more jobs are on the way. **Over 1,000 jobs** are directly attributable to smart, sound investments in freight rail throughout our state. Private sector investments in freight rail such as industry sidings, facility expansions, offices, property, plant and equipment amounted to over **\$164 Million** according to a recent survey of rail-dependent industries over the last three years.

As chairman of the PLRTC I recently learned of the recommendation to cut FRPP funding by two-thirds from \$35 Million to only \$12 Million. Although Sauk County has been blessed by recent investments into the Madison to Reedsburg line we still have millions of dollars of rail, tie and crossing improvements to finish the investment. Even more important the state owned 600+ mile system has needs for repair and upgrades to make it a modern and safe rail system. The state system has over 91 railroad bridges at Priority 2 or 3 status (near failure) and 250 miles of track that need capital upgrades to modern railway engineering standards. The recommended cut to FRPP funding will have an adverse effect on safety, economic development and job growth throughout the state. Currently, our contract operator Wisconsin & Southern Railroad has approximately \$60 Million in FRPP applications that are waiting funding.

According to a UW Extension study – “*Economic Impact Study of the Publicly-Owned Railroad System in Wisconsin*”, nearly 200 rail-dependent businesses employ more than **34,000 people** across the state-owned rail system. The study also found these businesses generate approximately **\$1.76 Billion in labor income** and **\$2.9 Billion in total income** annually in order to keep their businesses functioning. More importantly, these rail-dependent businesses generate an additional \$290 Million in state and local government revenues each and every year.

I will be bringing this matter to the full commission when they meet in December but am writing with the full confidence that they will support as I do a \$20 Million appropriation for the Freight Railroad Preservation Program (FRPP) in the upcoming 2017/2019 State Biennial Budget.

I kindly ask that you consider the real benefits of this program and support a \$20 Million appropriation for FRPP.

Sincerely,



Alan Anderson, Chairman
Pink Lady Rail Transit Commission

cc: PLRTC commissioners

WISCONSIN COMMERCIAL PORTS ASSOCIATION

2561 S. Broadway, Green Bay, WI 54304

Phone: (920) 492.4950 Fax: (920) 492.4957

Dean Haen
President
Port of Green Bay

Marty Olejniczak
Vice President
City of Sturgeon Bay

Larry Sullivan
Treasurer
Port of Milwaukee

Port of Ashland

Port of Bayfield

Port of La Crosse

Port of Manitowoc

Port of
Marinette/Menominee

Port of Northport

Port of Port Washington

Port of Prairie du Chien

Port of Sheboygan

Port of Sturgeon Bay

Port of Superior

Port of Washburn

DATE: December 6, 2016
TO: Members of the Assembly Transportation Committee
RE: Testimony Submitted in Support of the Importance of Continued Funding for Harbor Assistance Program (HAP)

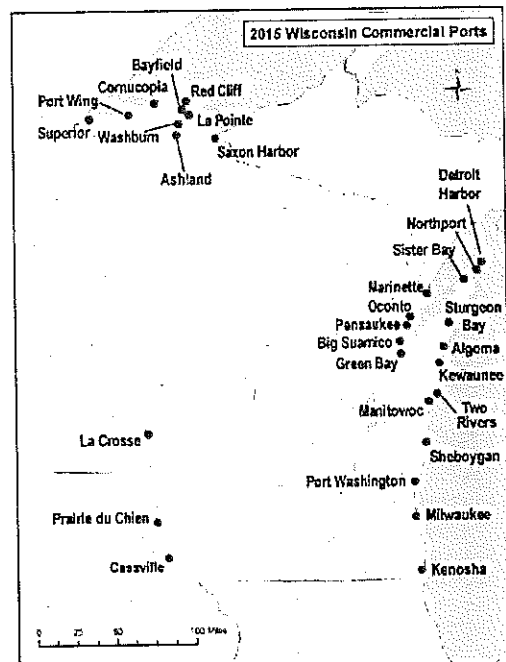
Thank you for the opportunity to comment on the Wisconsin Harbor Assistance Program. This program is important to the State's economy, the business and industry that rely on marine access and shipping, and it is important to our port and harbor communities. Realizing the economic opportunity at these intermodal connections, a multiagency effort including WisDOT, WEDC, WisDNR, DOA-Coastal Management, DATCP, and UW-Madison has been underway since 2013 to increase the freight and economic activity at our ports. The work has resulted in a Wisconsin Commercial Port Strategic Plan and, more recently, a freight corridor and market feasibility analysis that demonstrates that marine freight corridors can provide Wisconsin business and industry a lower cost shipping option. In our work with the ports, the HAP program was repeatedly cited as critical to the continued growth and success at our port and harbor communities. My comments in support of the program briefly address the history and significance of the HAP program, the future of HAP, and why it is now more important than ever.

History and Significance of HAP

Wisconsin is geographically and economically blessed to have commercially navigable waterways on three sides of our state. Our ports serve as centers for shipbuilding, commercial fishing, ferrying services and the efficient transport of marine freight.

Each year, Wisconsin ports handle over 30 million tons of cargo valued at over \$2.4 billion. This includes agricultural commodities destined for international markets, coal for power plants, iron ore and wood pulp, cement and road salt.

In 2014, businesses at Wisconsin's commercial ports supported 9,550 jobs, and generated over \$1.6 billion in economic output and nearly \$462 million in personal income from wages and salaries.ⁱ And, in a 2011 UW Seagrant study, Wisconsin port activity generated \$67 million in local and state taxes and \$112 million in federal taxesⁱⁱ.



In 1979, Wisconsin's Legislature created the Harbor Assistance Program (HAP) to assist harbor communities along the Great Lakes and Mississippi River in maintaining and improving waterborne commerce. Port projects typically include dock reconstruction, mooring structure replacement, dredging, and the construction of facilities to hold dredged material. Based on a 2015 analysis by the University of Wisconsin, 73% of the HAP projects supported freight movement, 13% supported ferry operations, 12% supported shipbuilding and 8% supported commercial fishingⁱⁱⁱ.

There are 29 ports in the state that are potentially eligible for funding through the HAP.

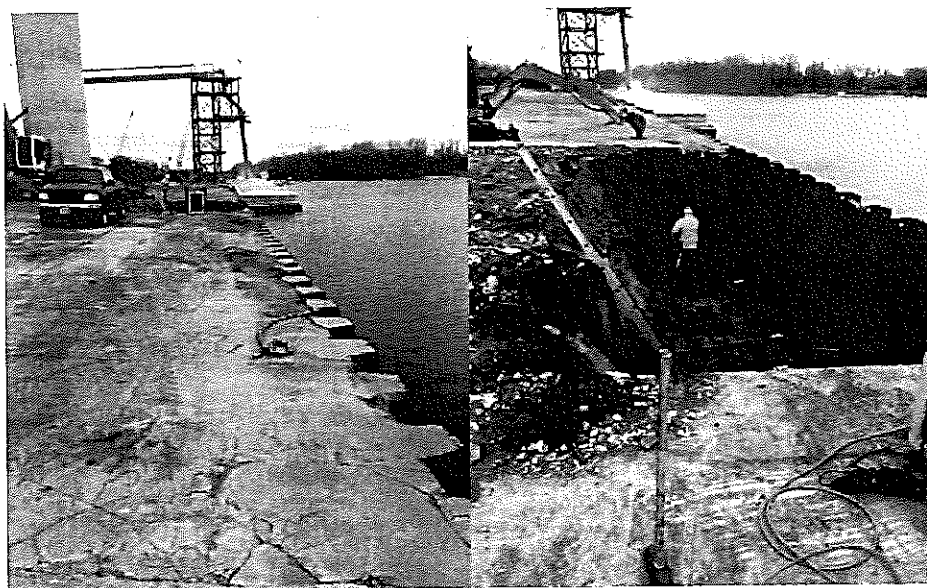
Since 1980, 100 HAP matching grants, totaling \$123.7 million, have been awarded to ports and harbors to keep commerce moving in Wisconsin. Current funding for FY 2015-2017 is at \$13.2M in bonding and \$1.3 million in segregated funding. In the August 2016 grant cycle, there were \$16.8M in applications for the remaining \$5M in funding.

In order to be eligible for grant funding, a project must have been identified in the community's current Three-Year Harbor Development Plan. To that end, there are currently 11 communities that have submitted statements of intent and identified 51 projects totaling nearly \$107M. Over \$40M of these identified projects are considered as a high priority. There is clearly a need to support these port and community resources that provide an economic backbone to the 29 Wisconsin port and harbor communities.

Example of the Importance of HAP

While project needs vary by port or harbor, this example at F.J. Robers Intermodal Terminal at La Crosse provides a good example of the need for HAP.

F.J. Robers experienced a dock wall failure on 220 feet of a 500-foot dock wall that was built in 1992. This last year, operators were literally able to put a hand shovel through a previously 2-inch-thick dock wall.



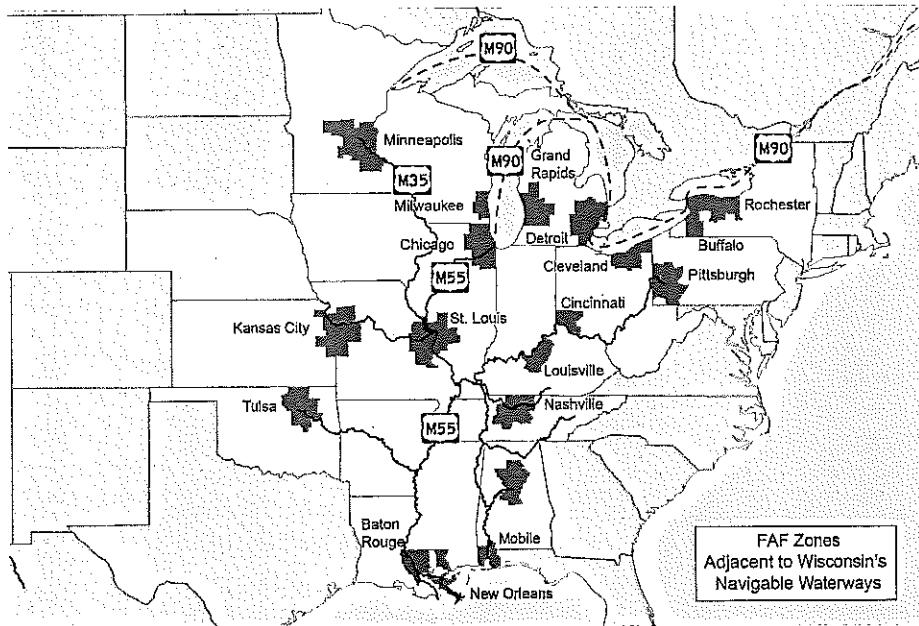
Work underway to repair dock wall failure at F.J. Robers in La Crosse.

Importantly, just this past season, over 650,000 tons of commodities moved across this intermodal dock including grain, feed ingredients, road salt, coal and fertilizer. Consider if this facility were to be out of service and trucks were responsible to move the loads, with each truck load limited to about 25 tons of product. Complete dock failure at this facility would put an additional 26,000 trucks on the State's highways every year. This example does not even take into consideration the jobs and other economic benefits this facility brings to the La Crosse area.

Simply put, the future of shipbuilding, the future of the ports and harbors that support logistics and recreation across the state, and the future of our communities are all at stake if we cannot keep our marine infrastructure in working order.

The Future Requires HAP

Based on USDOT estimates, freight tonnage moving across the US is expected to increase by nearly 40% over the next 20 years. With our highways already congested and carrying approximately 70% of all freight tonnage, and with rail consumed with long-haul energy and container loads, we will need our ports and harbors to accommodate the anticipated freight and economic development. Currently, just less than 5% of the total freight tonnage moves on the water in Wisconsin. However, USDOT has initiated the Marine Highway program designed to establish marine freight corridors parallel to major interstate highway facilities. The program is intended to move some of the containerized and roll on-roll off freight from the Nation's highways to parallel waterways to reduce congestion, reduce truck emissions and increase safety. The Marine Highway program recognizes the critical role of ports and waterways in moving freight and is a major step towards developing a multimodal freight system. Federal and state agencies now look to the waterways and our ports to absorb some of this on increasing freight load. In Wisconsin, we have access to, and are participating on, Marine Highway efforts on M35, along the upper Mississippi River, as well as looking at several variations of Great Lakes Marine Highway M90. These Marine Highway corridors are shown in the graphic below. With modern ports and harbors, these corridors provide access to nearly all major Mid-American metropolitan areas as well as act as gateways to the Gulf and to the East Coast and European markets.



Further, recent federal transportation legislation, the FAST act, now includes the ability for states to make investment to support marine transportation. Our ports and waterways are entering a renaissance period where the value and significance of moving freight on our waterways is of critical importance.

We cannot keep building more lanes of highway to accommodate 40% more freight. We do not have the space, the money, nor do we want to deal with the increased truck traffic levels and air quality issues. Our ports offer a low-cost alternative to moving the increasing loads of freight. With the increased maritime logistics activity, we will also see increased employment and community development at our port and harbor communities. All of this facilitated by the Harbor Assistance Program. It is that important.

Contacts:

Dean Haen
President, Wisconsin Commercial Ports Association (WCPA)
Director, Port of Green Bay and Brown County Resource and Recovery Department
2561 South Broadway
Green Bay, WI 54304
(920) 492-4950

Ernie Perry, PhD.
Representing WCPA
MAFC/CFIRE, UW-Madison
ebperry@wisc.edu
(608) 890-2310

ⁱ <http://wisconsin.gov/Documents/travel/water/ports-report.pdf>

ⁱⁱ http://aqua.wisc.edu/publications/PDFs/WI_GL_PortsEconomicPunch.pdf

ⁱⁱⁱ http://www.wistrans.org/cfire/documents/WCPDI_FinalProjectReport.pdf



It's how we get there

December 6, 2016

Testimony on the 2017-19 WisDOT Budget Request Craig Thompson, TDA Executive Director

Thank you Chairman Ripp and members of the Committee for the opportunity to speak on this important topic this morning.

The Transportation Development Association of Wisconsin is a statewide membership organization that was established in 1971 to advocate for a well-maintained, interconnected transportation network. That network includes more than 115,000 miles of interstate, state and local roads; 81 public transit systems; 29 commercial ports; 10 railroads, including 4 Class I railroads; and 127 public-use airports.

Our members, many of whom you heard from today, range from local governments, chambers of commerce, engineering firms, regional planning commissions, labor, contractors, agriculture, timber and other businesses that understand the importance of a well-maintained transportation system.

Importance to Economy

Most people intuitively understand that a transportation system that safely and efficiently moves goods and people is important to the health of the economy. But here in Wisconsin, our economy is more dependent upon that system than almost any other state in the country:

- In 2012, more than 516,000 residents were employed in the transportation-dependent industries of manufacturing, trucking and agriculture.
- As a share of total employment, the three were responsible for nearly one-in-five jobs. Nationally, that figure was only one-in-ten.
- Moreover, 23.1% of all Wisconsin wages were paid by these three industries, compared to only 12.5% nationally.
- In both employment and wage shares for these transportation-dependent industries, Wisconsin ranked **second** nationally.

Core Responsibility

While there is a difference of opinion over the proper size and scope of government, one of the most fundamental responsibilities of government, no matter how limited, is providing and maintaining a transportation network.

Executive Director Craig Thompson

Wisconsin is Failing

Despite the obvious importance of our transportation infrastructure, it is in disrepair. There can be little doubt about this. There has been a great deal of coverage about Wisconsin having the third roughest roads in the nation. That is not hyperbole or spin. It comes from the International Roughness Index (IRI) that is submitted by each state annually. This is the only comparable data on road conditions collected by the Federal Highway Administration.

In the Reason Foundation's most recent report, Wisconsin didn't fare a whole lot better. Wisconsin ranked 41st in the condition of our Rural Interstates. The report makes a special note that: "the amount of poor mileage [on the rural interstates] increased most significantly in Wisconsin, Colorado and Iowa." In that same report the condition of Wisconsin's Urban Interstates ranked 38th.

The Wisconsin Taxpayers Alliance issued its benchmark report card for Wisconsin in 2015. Among the more than 20 areas that were measured, the condition of Wisconsin's transportation infrastructure received the worst grade on the entire report card – a D.

Local governments in Wisconsin are on replacement schedules that are at least three and four times longer than what their roads were designed to last.

The picture - no matter how you look at it - is not pretty.

We Didn't Arrive at this Situation Overnight

The sorry state of Wisconsin's transportation infrastructure has been more than a decade in the making and has been extensively studied, discussed and debated. In 2006 there was the Road to the Future Commission that consisted of 12 lawmakers from both parties that found Wisconsin faced over a \$700 million annual shortfall in revenue and warned of the ramifications of failing to act. In the 2011-12 biennial budget, the Transportation Finance and Policy Commission was created and charged with providing recommendations of system and revenue needs for the ensuing 10 years. This commission had ten citizen members appointed by the governor and legislature. After a year of hearings and study the Commission released its report in January of 2013. It concluded Wisconsin is over \$1 billion short annually of the revenue needed to simply keep transportation services, conditions, and traffic congestion at current (2013) levels.

In each of the biennial state budgets that were passed during these years, the consequences of inaction were debated eloquently and passionately but ultimately no consensus on finding a sustainable solution was found. The duct tape that was used to keep the transportation budgets hanging together has been bonding. Wisconsin relied on bonding not as part of a financing strategy but rather a surrogate for funding. As a result we have gone from debt service eating up 7% of the transportation revenues in 2002 to it now consuming about 20%.

A Pivotal Time

At TDA we believe it is imperative that this time around we find the will to stop digging a deeper hole. We have been traveling the state listening to businesses and citizens and local government officials talk about the challenges they are facing in terms of local transportation needs. People are frustrated. There can be no mistake. Local officials were frustrated enough to organize a statewide, town-hall meeting on this topic alone.

One of the core messages from TDA during these recent years has been that we can't let the rest of Wisconsin wither on the vine while we continue the necessary but expensive endeavor of rebuilding our 60 plus year old interstate system. We need a sustainable solution.

While there are no easy answers, the proposal that is currently being considered is one that we quite frankly never contemplated. Namely, that we will simply walk away from our responsibility to rebuild our interstates in Wisconsin. This proposal actually *reduces* the state highway program by almost \$450 million from the previous budget. Rather than finding a way to shorten the roughly 30-year schedule for rebuilding our Interstates in Southeast Wisconsin, this proposal instead goes in the exact opposite direction and throws any schedule out the window. It is hard to fathom how that is going to do anything other than lower our already bottom-of-the-barrel ranking. In fact the Transportation Finance and Policy Commission warned that if Wisconsin's highway funding remained flat, the percentage of the system in poor or worse condition would increase from 20% in 2014 to 42% in 2023.

Our transportation system is just that – a system. Our transit systems and rail lines and airports and ports all work together to provide a network for the movement of goods and people. TDA consistently points out that our disparate and diverse economy depends on our local roads that constitute the feeder system to the backbone. But, it should go without saying that the main arteries that accommodate the most heavily traveled freight and pedestrian routes in the state are important as well.

In November of 1982 Ronald Reagan made a plea to the American public through his radio address to increase the national user fee in order to resurface our then twenty-some year old interstate system by stating: "We simply cannot allow this magnificent system to deteriorate beyond repair. The time has come to preserve what past Americans spent so much time and effort to create... America can't afford throwaway roads or disposable transit systems. The bridges and highways we fail to repair today will have to be rebuilt tomorrow at many times the cost."

Inefficient

By the end of 2019, the Marquette Interchange and the Zoo Interchange, excluding the North Leg, will be complete. They will have been completed under budget but still at a significant cost. Between them, however, will remain a stretch of I-94 right in front of Miller Park that is over 60 years old and has been rehabilitated four times. Concrete falls from overhead bridges. 89 percent of the corridor has crash rates higher than the statewide average. Needless to say,

travel time is unreliable. What is the schedule for I-94 East-West to be redone under this proposal? Are we really maximizing the investment we have already made on our two biggest interchanges when this bottleneck remains between them?

Wisconsin has also completed the rebuild of I-94 from the Illinois line up through Kenosha. In this area we have seen tremendous economic activity. But I-94 between Kenosha and Milwaukee remains a doughnut hole of 60 year old interstate that has been rehabilitated three times. Under the proposal being contemplated when will this project be completed? There are 5 other projects intertwined in this region that are languishing: 1) the North Leg of the Zoo Interchange; 2) I-894 Bypass; 3) I-94 Jefferson County line to the Zoo Interchange; 4) I-43 – Mitchell Interchange to Silver Spring Drive; 5) I-41 – Zoo Interchange to the Richfield Interchange.

This proposal delays all of these projects indefinitely. Each time one of these stretches of Interstate are rehabilitated it lasts for fewer years. Drivers in Southeast Wisconsin should prepare to be sitting in traffic for the next generation as orange barrels are dropped down to continually overlay and band aid these extensively traveled sections of our system.

The Proposal Hurts Safety and Maintenance

The proposal that you are holding the public hearing on today does not improve safety or maintenance of our existing system. It would in fact have the opposite effect.

As just one example, Highway 23 between Fond du Lac and Sheboygan has been the scene of too many fatal accidents in recent years. Local officials and lawmakers have decried the needless loss of life and advocated for this project to be completed. While, it is currently held up in litigation, this proposal would nonetheless delay this project by a minimum of three more years.

The aforementioned projects that have been under study and are awaiting enumeration have outdated and unsafe design features as well as crash rates above the statewide average.

In order to simply keep some of the deficient bridges and other stretches of interstate safe for travel in the southeast corridor, state highway rehabilitation dollars are undoubtedly going to be diverted from other places in the Wisconsin.

Some have argued that we don't need to rebuild these portions of our Interstate due to a decrease in Vehicle Miles Traveled (VMT) in recent years. This is an erroneous argument for several reasons. The first being that these roads are simply past the end of their useful life and need to be rebuilt whether there are .5 percent more cars or 50 percent more cars traversing them. Second, while VMT flattened and declined for several years during the Great Recession, that trend has turned around significantly. VMT in Wisconsin has increased each of the past four years and it jumped 4.2% in 2015 to a record 62.1 billion miles. The growth in commercial traffic increased 20 percent in just the last four years.

Others Have Found a Way

While rebuilding our 60 plus year old Interstate System is expensive, it is an investment that other states continue to step up to the plate and make. Twenty-four states in the last several years have passed funding packages to at least begin to meet their transportation challenges. This has occurred in the reddest of red states and the bluest of blue states.

In 2014, voters in Wisconsin had a chance to amend our state's constitution to ensure that the user fees we pay to maintain our system go for that purpose and that purpose only. The consensus was astounding. 80% of voters, voted "Yes" to amend our state constitution so that the two transportation user fees we pay – state gas tax and vehicle registration fees go into a constitutionally segregated fund that can only be spent on transportation.

When you look at what Wisconsinites pay for those two user fees to maintain our system, it is significantly lower than any of our neighboring states in the Midwest.

Delaying projects isn't leadership. Forcing local governments to borrow more or pass wheel taxes or place even more on the property tax isn't looking out for taxpayers - it is passing the buck.

While there may be no easy answers, finding a sustainable solution certainly shouldn't be the most complex or daunting challenge facing Wisconsin in 2017. Other states have met the challenge.

It would be sad to say that Wisconsin simply can't find a way. Our answer cannot be that we are going to inhibit the movement of goods and jeopardize the safety of the traveling public in Wisconsin because we can't figure out the politics.

It is only December of 2016. This body will not formally consider a budget until early next year. There is certainly time to come together to fix this core state responsibility that is clearly in need of fixing. The citizens of this state don't want politics they want you to Just Fix It.

Additional Testimony

Dave Brose, TDA President

Good Afternoon. I am Dave Brose, Senior Vice President with EMCS and President of the Transportation Development Association of Wisconsin.

Thank you for providing us this opportunity today. I won't add too much on to what Craig had to say other than to point out a couple of things.

First, as Craig alluded to in his testimony, we all want to make sure the dollars we send to Madison when we pay our \$75 registration fee and the state gas tax when we fill up our

vehicles is spent as efficiently as possible. TDA sent a letter early on to the Joint Audit Committee supporting and encouraging an audit of the Department of Transportation. We await the findings of that audit, and we should try to make improvements everywhere we can.

However, the inefficiencies that I see, in the way we are planning for projects as a result of unstable and unknown funding, will dwarf any bureaucratic inefficiencies the Audit Bureau may be able to find. For example, I was involved in the design of the Zoo Interchange in Milwaukee when it was first stopped in 1992 due to lack of funding. This project was put on hold and finally started again in 2007 and is now under construction. However, before the construction began in 2013 and before the design was complete, the Department had to spend \$16 million dollars in 2010 as part of an emergency replacement of three bridges that were failing and would not survive until 2013. These \$16 million dollars became throw away costs since these bridges could not match the new design of the interchange. The freeway system was built in the 1950's and 1960's and is on borrowed time. The longer we wait to replace this system, in its entirety, the more we will spend on "throw away" costs to buy us time.

These inefficiencies are also happening on I-94 North-South in Racine County. Due to a shift in funding, portions of the I-94 North-South construction were put on hold. In an effort to finish this construction, the Department is trying to do what they can by breaking the reconstruction into smaller projects to take advantage of available dollars. This is resulting in having to redesign the staging and sequencing that was well laid out. This is adding costs and inefficiencies to the project.

Second, I will tell you that if Wisconsin does not come up with a sustainable transportation solution, you will continue to see a significant outward migration of talent in the engineering field. Simply put, other states have work because they have reached agreements on a sustainable solution, and are moving forward on rebuilding and repairing their roads. As we stand today in Wisconsin, that is not the case. I know of multiple firms that have moved people to other states, or laid off engineers, due to lack of work in Wisconsin. Most of these firms will acknowledge, that they do not expect to be able to bring back these people once, and if, the work returns.



CRAIG DICKMAN BIO

Craig Dickman is the founder of Breakthrough Fuel and serves as its CEO and chief innovation officer. Since its founding in 2004, Breakthrough@Fuel has been recognized as the leader in transportation energy management and has won supplier-of-the-year awards from P&G, Whirlpool and Kraft Foods as well as innovation awards from Unilever, Georgia-Pacific and Michaels. Prior to Breakthrough@Fuel, Dickman served as President & CEO of Paper Transport, Inc., Vice President, Information Technology for Schneider and Director of Logistics for SHADE Information Systems. He has been involved in transportation and supply chain for more than 30 years and is also an inventor with two patents for transportation energy management and has additional patents pending.

Mr. Dickman received his Bachelor of Science degree in business from the University of Wisconsin-Green Bay and his Master's in Business Administration from the University of Wisconsin-Oshkosh. He is active in the community and currently serves on the Board of Directors for the Green Bay Packers, the Greater Green Bay Community Foundation, as well as serving on the UW-Green Bay Council of Trustees and the St. Norbert College Schneider School of Business and Economics Board of Visitors.



Written Testimony of Nick Jarmusz

Wisconsin Director of Public Affairs

AAA – The Auto Club Group

Before the Wisconsin Assembly Committee on Transportation

*Written Testimony on Wisconsin Department of Transportation (WisDOT)'s
2017-19 Biennial Budget Proposal*

December 6, 2016

Thank you, Chairman Ripp and members of the committee, for the opportunity to testify at today's hearing. My name is Nick Jarmusz, and I am the director of public affairs for AAA Wisconsin.

AAA is a not-for-profit, fully taxpaying federation of motor clubs in the U.S. and Canada that provides more than 55 million members – over 640,000 of which reside in Wisconsin – with travel, insurance, financial and automotive-related services. Since its founding in 1902, AAA has been a leader and advocate for the safety and mobility of all travelers. We believe that a transportation system capable of serving the travel needs of people and the movement of goods and services is vital to quality of life and economic success on a local, state and national level. The budget proposal currently before this committee would make it virtually impossible for Wisconsin to maintain such a system.

Wisconsin's roadways are being utilized by motorists – both residents and out of state travelers – at historic rates. In 2015 the Wisconsin Department of Transportation reported that over 62 billion vehicle miles were traveled on the state's roads and highways – the highest on record. There is every reason to expect that 2016 will be even higher. AAA's travel forecasts for this past Memorial Day and Independence Day were the highest in the 20 years that we have been publishing such reports. Those surveys also revealed that Americans are growing increasingly worried about the condition of the roads they will use to reach their destinations. Nearly 70% of summer travelers reported that they were concerned about encountering problems directly related to roadway quality and capacity. We believe that such concerns are justified, as most of Wisconsin's roadway network was originally constructed between the 1950's and 1970's, and is in need of significant rehabilitation or rebuilding.

Delaying projects is not a sustainable way to bridge the gap between what is needed to keep up with necessary maintenance and rehabilitation and the revenue generated by gas taxes and registration fees. Such shortfalls

are certain to persist and widen in future budget cycles, as older vehicles continue to be replaced by ever more fuel efficient models, which require less gas – and thus pay less gas tax – while putting the same amount of wear and tear on the system. According to a survey completed by AAA Wisconsin just last month, 64% of Wisconsin motorists do most of their driving in a vehicle that is more fuel efficient compared to 10 years ago, which is when state's flat excise tax on gasoline was last increased.

We appreciate that any discussion about increasing revenues is difficult, and we believe that it is vital the public have a full understanding of the facts. Unfortunately, our surveys show that there is a significant amount of misinformation and misperception regarding the current amount of taxes and fees paid by Wisconsin motorists. Three-quarters of Wisconsin residents overestimate the amount that the average driver pays to the state each year. Over a quarter do so by \$200 or more. Over 60% believe that Wisconsin's taxes and fees are the same or higher than they are in neighboring states, despite the fact that they are actually several hundred dollars less. And 57% believe that state's gas taxes and vehicle registration fees are higher today than they were 5 years ago, even though both have been frozen for nearly a decade.

AAA supports efforts to find greater efficiencies and ensure that motorists get the most for their tax dollars, potentially reducing the amount of additional revenue needed. But we believe it would be irresponsible for the legislature to pass a budget that does not include any revenue enhancements, especially when doing so increases the chances that more motorists will end up paying an even steeper "hidden tax" as the result of driving on poor roads. A recent AAA study found that the average cost to repair damage caused by potholes is over \$300. According to our research, motorists who incurred such expenses did so an average of three times in the last five years.

Delaying the necessary repairs and rehabilitation of Wisconsin's roads is not in the best interests of motorists or our state's economy. Doing so will only make the problems worse and the potential solutions less palatable. The time for action is now.

Thank you for your time and consideration of AAA's position.



Metropolitan Milwaukee
Association of Commerce

TRANSPORTATION COMMITTEE TESTIMONY

December 6, 2016

Steve Baas, Sr. VP for Governmental Affairs and Public Policy
Metropolitan Milwaukee Association of Commerce

For us at the MMAC, the issue before you today is not primarily transportation issue or a political issue; it is an economic issue. The fastball or our metro economy is manufacturing. At the heart of our economic competitiveness is the fact that we are good at making stuff. An efficient system of roads bridges and highways are the arteries of that economy because if our companies can't efficiently take the amazing stuff they make and move it to the market, companies are going to move where they make their stuff out of our region.

This fact was driven home to us by one of our signature companies, Miller/Coors, who could not be here today but who sent me this simple message for the committee:

"All of the beer produced at the Milwaukee Brewery on a yearly basis and shipped to our distributor partners all across the Midwest, is shipped via truck. Thus, it is critical that we have a modern, reliable and efficient highway/road system to ensure that our beers reach our retailers and consumers. We support the development of a strategy that delivers a modern highway system to Wisconsin."

I would like to briefly share some overarching perspectives I hope you will keep in mind as you work to meet our state's transportation challenges in the upcoming budget.

1. We must start by earning the public's trust and confidence. Hard working taxpayers cannot be asked to pay more – regardless of the form in which they are paying it – unless they can have full confidence that we are making efficient use of the funds they are already providing. We made huge progress in this regard several years ago when we successfully added language to our constitution prohibiting General Fund raids on the Transportation Fund. We must build on that progress by starting our discussion on transportation funding with an honest and aggressive consideration of additional cost saving measures; from those identified by the ongoing audit of DOT to sales of surplus DOT property to repeal of unnecessary prevailing wage and Wisconsin Environmental Protection Act regulatory mandates to consolidation of federal funds and practical design savings.
2. Everything must be on the table. Discussion of new revenues must not merely fall back on the same old gas tax or registration fee options. While those existing sources may be part of the solution we should also look at innovative new technologies and options like tolling and other vehicle miles traveled mechanisms that are fair and accurate user fee instruments for raising funds.

3. Finally, we must look for long-term solutions and not short-term fixes. The challenge you face is enormous and politically contentious. You owe it to yourselves to make sure that the solutions you come up with are sustainable, technologically relevant, and sufficient to support the transportation infrastructure not only of today but of tomorrow as well. Providing a temporary patch in this budget and kicking the can down the road for a comprehensive solution ultimately drives up costs in the long run and creates uncertainty that is counterproductive to Wisconsin's long-term economic vitality.

###

Jerry Franke
President
Wispark LLC
Suite 400
301 West Wisconsin Avenue
Milwaukee, WI 53203
414.274.4600

Wispark has developed several business parks in Kenosha, Racine, Milwaukee and Waukesha Counties. These developments represent more than 20,000 jobs and billions of dollars of investment. Other developers are doing the same. The common thread is that they are all adjacent to or within a mile of the Interstate highway system.

Southeast Wisconsin is located at the northern end of the one of only a few megalopolises in the United States. The southern metro area of Milwaukee from Oak Creek and Franklin to Kenosha and Pleasant Prairie represent outstanding locations for one of the fastest growing sectors of our national economy – the distribution and logistics sector. Companies such as Amazon, Uline, Meijer, and the like have recognized that locating such facilities between two large urban areas along or near the interstate system is the most efficient way to get the goods and services that consumers need and want to the greatest number of people as quickly as possible.

Much work has been done between the Illinois state line and the Mitchell interchange – but the system is not complete and gaps exist that are undermining the effectiveness and benefit of the large investment that has been made so far. Additionally many of the communities along the interstate are investing in infrastructure to create the business settings needed to create more jobs. The benefit of this local investment is being curtailed by not completing the overall program.

I understand that there are transportation system needs that exist throughout the entire state. However, few transportation projects will generate the return on investment in jobs and economic activity that the investment in completing the interstate widening and interchange upgrades planned for the Milwaukee to Kenosha corridor will create.

As companies look at locations for new facilities, highway access and employee availability are at or near the top of the list. The completed interstate upgrades are essential to our continued success.

As you consider the alternatives to meeting our considerable transportation system needs, I would encourage you that a high priority be given to the return on investment, in the form of jobs, tax base and economic activity, be one of the key factors in establishing priorities.

Thank you.



Wisconsin Corn Program
W226N5956 Lynwood Drive
Lisbon, WI 53089
262-372-3289

Testimony for Assembly Committee on Transportation Hearing – December 6th, 2016

Good afternoon Mr. Chairman and members of the Committee. My name is Ben Augustine; I am the Vice President of the Wisconsin Corn Growers Association.

Our family's operation is a dairy farm in the Town of McKinley in Taylor County. Our farm is located about 30 miles from Ladysmith and 60 miles from Eau Claire, so we're not located near heavy populated areas. We milk 700 cows and run about 2500 acres of corn, soybeans and alfalfa hay.

Our township has about 40 miles of road, most of which is gravel. Their total road budget with state aid and local levy is \$120,000 which just barely covers snow removal. This dollar amount has been pretty much frozen in place for many years. It is our understanding that they have not been able to spend ANY money on road maintenance let alone make any road improvements in over 20 years!!

When the road adjacent to our farm started to break down 2 years ago – and the town budget squeezed – the town asked us to come up with a very significant amount of money to fix the road. And I want to make this clear - our equipment was not running overweight. With milk and other commodity prices at barely break even right now we can't be paying privately for public roads and remain competitive with our competition. As it is, often roads to our fields are posted in the spring, which causes us a lot of logistical problems and makes us alter good farming practices in order to accommodate substandard roads.

Our town has worked with us and we are all trying to do the best we can with what we have. We are a very frugal group – up north. But we don't have the money to even do the basics of road maintenance.

I understand that locating large dairies near population centers can cause conflicts. Our location is therefore a perfect place with very few neighbors. But then we need to have the infrastructure in place to support our farm – or we won't be around 20 years from now.

Corn and Soybeans sell on the international market. We don't just worry about keeping up with Iowa or Illinois; we have to compete with Brazil, Argentina, and other many foreign markets. So we can't switch to smaller equipment – it just isn't efficient – and we can't afford to just up and move to a new location – our farm has been in our family since 1915.

So on behalf of Wisconsin's Corn Growers we ask you to please join us in supporting an increase in the funding levels for the transportation fund. We stand ready to work with all interested parties to come up with a reliable long term solution. We need a QUALITY infrastructure that works to keep the GREAT state of WISCONSIN moving FOWARD!!!!

Thank you for listening.

In other words, we utilize a good majority of the 115,000 miles of public roads and roughly 14,000 bridges in the state to move machinery, commodities and other goods and services throughout a vast highway network in which the first mile is just as critical as the last mile.

Much like other major industries, agriculture has had to adapt to a national and global economy that is moving along faster all the time. The means by which farmers plant and harvest our crops, transport our livestock and grain to markets, and move manure and other fertilizers from the farm to the field is constantly evolving with machinery, trucking and other equipment that is more productive and efficient, and in most cases larger in size, so Wisconsin farmers can remain competitive. As all of our industries evolve so to must the local road and bridge infrastructure that supports it.

Mr. Chairman, you are well aware of the work that went into developing and passing the most comprehensive rewrite of our Implements of Husbandry laws in the last 60 years. This was a significant compromise between the agricultural industry and local governments to create a responsible and reasonable means to legally operate farm machinery on our roadways. All of this is threatened if local governments have no choice but to post local roads and bridges at significantly lower weights to help preserve the infrastructure. If funding does not meet the need, this is the most consequential transportation issue farmers face in running their operations.

We always talk about trying to find a balance. It is true that a balance must now exist between agriculture's need to move farm machinery on Wisconsin's roadways and state and local government officials' responsibility to protect and maintain the roads, but an imbalance is likely inevitable if investing in our highway infrastructure remains at a crawl. Without a significant investment, you are asking Wisconsin's farmers to compete in a 21st century global economy utilizing a mid-20th century infrastructure system that is quickly failing.

Thank you, Mr. Chairman and members of the committee.



1 South Pinckney Street, Suite 810, Madison, WI 53703-2869
608.258.4400 fax 608.258.4407

145 University Avenue West, Suite 450, St. Paul, MN 55103-2044
651.228.0213 fax 651.228.1184

www.cooperativenetwork.coop

**Assembly Committee on Transportation
December 6, 2016
Informational Hearing on 2017-19 Biennial Budget**

Good day Chairman Ripp and members of the committee. I am Sara Schoenborn, Director of Communications at Cooperative Network. Cooperative Network is committed to protecting and promoting Minnesota's and Wisconsin's cooperative businesses and their shared cooperative principles. We are the largest statewide co-op trade association in the United States, representing a diverse and active group of more than 400 members. We appreciate that you are conducting this timely informational hearing on the WisDOT Biennial Budget proposal. My remarks today are largely a reflection of views of our many agriculture-sector members, including farm supply and dairy cooperatives.

Over the past several years, any number of studies has pointed out the need to put more resources into rehabilitation and replacement of our aging transportation infrastructure. Many state legislatures have heard the call and reacted in a variety of ways. In fact, four Midwest states adopted significant funding enhancements for transportation infrastructure using new formulas for motor fuel taxes, which in some cases had been left unchanged for many years. Decisions to make increased investments for roads and bridges were one of our region's most notable legislative trends.

Tax hikes on fuel have taken effect in at least ten states in the last few years. One of the common threads running through the decision to do this appears to be the fact that vehicles are far more efficient and less revenue is then generated under the old formulas, leaving our critical infrastructure at risk. Our members' hope is that the legislature takes meaningful action this session to put an updated framework in place for addressing the long-term transportation infrastructure needs in this state. Doing so is critical to the continued progress of our state's economy and the important agricultural sector.

As agriculture and other key sectors continue to change, our aging and deteriorating roads and bridges are hardly able to safely handle the loads that were not as common in previous decades.

We do have a couple of specific recommendations concerning the budget submitted by WisDOT for the upcoming biennium. We support the proposed statutory changes dealing with weight allowances for the transportation of milk products. This is a result of federal changes included in the FAST Act that Congress passed. The statutory change would create an overweight, multiple trip permit for the bulk transportation of "fluid milk products" which the FAST Act reclassified as a "non-divisible load" (a load that cannot

be easily dismantled or divided.) The proposal would also increase the existing weight exemption for vehicle combinations transporting milk and dairy products without a permit to 98,000 pounds gross vehicle weight when on six axles. Our Dairy Legislative & Regulatory Committee supports this provision.

We have concerns about the reduction in funding for the freight rail preservation program (FRPP). The request for \$12 million in transportation fund-supported, general obligation bonding falls significantly short of the \$35 million in total program resources provided in the 2015-17 biennium. The \$35 million included \$29.8 million in bonds, plus \$5.2 million in SEG funding. Previous state budgets have been important in making progress in replacing 100-year old jointed rail with 115 pound continuous welded rail that will safely allow the operation of the heavier modern freight cars. The Class II and III railroads are important freight service providers over the state owned rail corridors to businesses moving grain and other bulk and finished products to markets. The funding for FRPP rose from barely over \$2 million to \$60 million several biennia ago. A more appropriate level of funding for the upcoming biennium would be at least \$20 million. Without that, the goal of upgrading tracks to a 25-mph operational standard would be at best some far distant future target which we may never realize.

Lastly, just a note that our membership resolution relating to Transportation issues states, "Cooperative Network opposes any **new** tax on those who refine, or distribute motor fuel."

Thank you, Mr. Chairman, for holding this hearing and to all members for listening to our comments today.

Assembly Committee on Transportation
Dec. 6, 2016 - Informational Hearing on Transportation Funding

Good afternoon Chairman Ripp and members of the committee. My name is Bill McCoshen, and I am here today representing the Dairy Business Association.

DBA's membership includes people and businesses engaged in all facets of the dairy community. We represent Wisconsin dairy farmers of all sizes, supporting businesses, and several of our state's dairy processors. Today I would like to express to the committee, DBA's support of seeking a viable long-term solution to fund Wisconsin's present and future transportation needs.

To meet these needs, our organization recognizes that the state will have to increase revenue streams for our transportation funds. Wisconsin cannot continue high levels of borrowing for transportation, which push the responsibility for our infrastructure off on future generations.

DBA supports exploring the options Mr. Richard has named as well as the other options available that increase our transportation fund revenues and cut existing unnecessary transportation expenses, which will result in a larger funding pool. This includes but certainly not limited to raising the fuel tax and registration fees, and looking at additional tax streams. It could also be important to examine the existing funding structure of projects and systems to see if there are unnecessary transportation expenses can be reined in.

It is no secret that Wisconsin is America's Dairyland and has been since anyone can remember. Our state has come to be known as the gold standard for dairying not only throughout our nation but around the entire world. As you all are well aware, Wisconsin's dairy industry is one of the state's main economic drivers. Nearly half of agriculture's 88-billion-dollar economic impact in Wisconsin is generated by our dairy community. However, it would be hard to say if dairying would have attained this success without the infrastructure that farmers, haulers, and dairy processors have been able to rely on over the years.

As Mr. Richard stated, agriculture uses close to every mile of roadway and nearly every bridge in Wisconsin. Just as every other Wisconsin farmer, dairymen utilize roadways to harvest crops, move cattle, and get their product to market. But in this respect, dairymen produce a unique agricultural product. Each and every day, milk must be transported from the farms to one of the many award-winning dairy processors in our state. The jobs at the dairy processors rely on the ability of farmers and haulers to do so.

Mr. Richard has highlighted the fact that many of the roadways and bridges farmers depend on are rural and local in nature. Our state needs to take action to fix, maintain, and modernize rural thoroughfares so that dairying in Wisconsin can continue to be successful. But we must not forget the positive effect that adequate and modern urban roadways have on our dairy community. Much of the state's population reside in these urban areas and therefore represent a large portion of the consumers of our products. Dairy processors must have the means and highways to reach those urban markets in an efficient manner. The ultimate success and livelihoods of our dairymen and dairy community count on it.

Wisconsin's dairy community is dependent on the ability of our infrastructure to provide adequate means of transportation. Our current infrastructure is deteriorating at an alarming rate and we must accept the responsibility of turning this trend around. Without making the investment now, we are putting the future success of our dairy and agricultural communities at risk and therefore the future success of Wisconsin's overall economy.

Thank you Mr. Chairman and members of the committee.



The Wisconsin Urban and Rural Transit Association (WURTA) is a cohesive voice for Wisconsin transit. WURTA members work to improve access and efficiency of transit systems across the state. WURTA represents 28 bus systems, 43 shared-ride taxi systems, 24 associate and affiliate members, over 2,900 transit operators and \$314 million in annual transit expenditures statewide.

Baby Boomers and Millennials are driving less and instead relying on public transit to get to school, work, shopping, and doctors appointments.

In rural and suburban communities, transit is vital in meeting the demand for seniors who wish to stay in their homes and communities. As more and more Baby Boomers retire and age, their desire to stay in their homes and be a part of their community remains a top priority that public transit affords.

In more urban communities, Millennials are utilizing transit to get to work, school, and even social travel. Whether it is an economic decision or by choice, using public transportation is as commonplace to many students and young professionals as Twitter and Facebook.

Adequate state and federal investment is critical to meeting the market demand for public transit. Public transit is vital to economic mobility, mitigating rural economic decline, and delivering reliable transportation options to our urban, rural, young, or aging riders.

- Over half of Wisconsin's counties have an elderly population of over 25%.
- Millennials are multi-modal; Wisconsin drivers are driving 500 miles less per year.
- 36% of Wisconsin's 1000+ transit vehicle fleet is past its useful life.
- Since 2011, total annual state funding has decreased by 11%.

WI Transit provides:

- 34.7 million rides to work (48%)
- 16.6 million rides to school (23%)
- 13 million social rides (18%)
- 8 million medical rides (11%)

Annual transit expenditures amount to \$314 million

- Passenger Revenue: 24%
- Federal Funding: 19%
- State Funding: 34%
- Local Funding: 23%



WURTA 2017 Budget Priorities

DOT Budget Request for Transit Program Continuing Appropriation in Executive Budget.

When Transit budgets fall short due to unanticipated conditions like high gas prices or excess capital costs, transit providers must reduce services. Under current law, when savings are realized because of prudent planning and cost savings, at the end of the biennium those savings are lapsed back to the Transportation Fund - penalizing transit providers for efficiency. The DOT's budget request provides for the continuing appropriation of Transit Aids, which would allow for the redistribution of unspent funds in the next fiscal year, and would help give the state flexibility in meeting funding requirements. The average amount of funding lapsed from the state Mass Transit Operating Assistance program to the Transportation Fund represented approximately \$971,000. This \$971,000 represents approximately 3% of the total amount of funds currently distributed annually to Tier B & C systems. This continuing appropriation would help in restoring the 10% cuts experienced by all transit systems since 2011. Tier C has felt these decreases most acutely, seeing their share of state and federal funding fall from 65% in 2011 to 57% in 2016. There will also be other unknown operation expenses as new Shared-Ride Taxi Systems in the state become more established.

Hold Harmless for Addition of New Shared-Ride Taxi Systems

Four new Shared-Ride Taxi Systems are set to go on line and others are likely to follow. Expanded service in Prairie Du Chien, new shared-ride systems in Lac Du Flambeau, Minocqua, and a new system covering all of Walworth County will negatively impact the rest of the state if unfunded. WURTA respectfully requests that appropriate funding for these programs is added to the Transit Operating Assistance program to ensure no loss in equalized funding to rural and small Tier C transit systems.

Create a \$15 million State Transit Capital Investment Program.

Over the last three years, federal funding for transit capital needs has decreased significantly created a capital funding crisis. In 2013, under MAP-21, Wisconsin lost \$5.8 million in federal funding. Most recently in 2016 under the FAST Act, WisDOT applied for \$15 million in grants and individual transit systems requested another \$8 million - but USDOT awarded Wisconsin only \$26,400. A lack of capital funding is resulting in a significant backlog of fleet replacement, increased maintenance costs, and diversion of operating funds to finance capital procurements. This program was originally recommended in the Wisconsin Transportation Finance and Policy Commission's Keep Wisconsin Moving policy report.

Restore \$18.8 million in Annual Transit Operating Assistance.

Driving Wisconsin's economy forward requires a robust investment in a multi-modal transportation system. Recent reductions in state operating assistance have resulted in nearly

\$17 million in costs to municipalities, increased passenger fares, and reduced services. The Wisconsin Transportation Finance and Policy Commission's Keep Wisconsin Moving report recommended restoring the \$9.3 million cut from the 2011-2013 biennial budget and allocating an additional \$9.5 million annually to meet the state's past commitment to transit funding.

Maintain Transit Operating Assistance in the Transportation Fund.

Reliable funding is vital to ensure public transit's ability to meet the needs of every community it serves. Moving transit out of the Transportation Budget and into the General Fund could be a huge blow to employers, employees, students, senior citizens, and the most vulnerable, who rely on transit. Public transit is integral to the state's overall transportation program and should remain in the Transportation Fund.



Transit System Capital Needs

One-Third of Wisconsin's Transit Fleet is past its useful life.

In fact, many Transit Systems have in excess of 50% of their vehicle fleet past its useful life.

- Janesville: 11 of 17 buses past their useful life.
- Eau Claire: 14 of 22 buses past their useful life.
- Oshkosh: 10 of 16 buses past their useful life.
- La Crosse: 11 of 19 buses past their useful life.
- Sheboygan: 11 of 22 buses past their useful life.

* 86% of these vehicles that are past their useful lives have NO federal funding secured for their replacement.

36% of Wisconsin's Transit Properties Require Major Facilities Upgrades.

Many transit facilities' needs have outpaced state and federal funding.

- Oshkosh Transit – needs new Transit Center
- Wausau Transit & Beloit Transit – needs roof replacement
- Madison Metro – Needs roof replacement
- Milwaukee County Transit – Needs two new roofs, one HVAC System

Racine Transit's Belle Urban System is housed in the oldest facility in the state. It has major structural deterioration of the walls, floors, ceilings and outdated bathrooms. Further, the system lacks necessary space for mechanical functions and dispatch. In short, Racine needs a new transit facility.

(OVER)

2016-2019 Wisconsin Transit System Capital Needs

Based on 2016 Annual Operating and Capital Assistance Applications from Wisconsin Transit Systems

Description	Urban Systems	Rural Systems	Total
Purchase Replacement Std 40 Ft Bus	\$54,427,695	\$383,800	\$54,811,495
Purchase Replacement Std 35 Ft Bus	\$27,304,800	\$1,196,000	\$28,500,800
Purchase Replacement Std 30 Ft Bus	\$340,000	\$780,000	\$1,120,000
Purchase Replacement < 30 Ft Bus	\$1,636,400	\$2,452,722	\$4,089,122
Purchase Replacement Van	\$968,800	\$2,204,186	\$3,172,986
Purchase Sedan/Support Vehicles	\$388,800	\$140,400	\$529,200
Purchase Equipment/Communications/Radios	\$9,073,686	\$240,565	\$9,314,251
Construct/Design/Renovate Facilities	\$38,622,470	\$40,000	\$38,662,470
Capitalized Maintenance/Vehicle parts	\$439,200	\$197,078	\$636,278
Purchase/Renovate Signage/Shelters	\$473,600	\$0	\$473,600
Planning & Other Activities	\$1,032,000	\$56,000	\$1,088,000
Total	\$134,707,452	\$7,690,751	\$142,398,203
Est. Federal Funds Available, 2016-2019			
*Section 5311	\$0	\$6,800,000	\$6,800,000
**Section 5339	\$39,860,000	\$0	\$39,860,000
Total	\$39,860,000	\$6,800,000	\$46,660,000
Funding Shortfall	\$94,847,452	\$890,751	\$95,738,203

Source: Wisconsin Department of Transportation

2016–2019 Average Annual Capital Funding Need: **\$35.5 Million**

2016–2019 Average Annual Capital Funding Shortfall: **\$23.9 Million**



WISCONSIN MANUFACTURERS & COMMERCE

TO: Members of the Assembly Transportation Committee
FROM: Jason Culotta
Senior Director of Government Relations
DATE: December 6, 2016
RE: Testimony on the 2017-19 WisDOT Agency Budget Request

Thank you for the opportunity to share comments with you today about the Department of Transportation (WisDOT) 2017-19 agency budget request. I am pleased to share with you perspectives on the proposal and how it may be improved upon to serve the state's varied infrastructure needs from a business perspective.

Wisconsin Manufacturers & Commerce (WMC) is the state chamber of commerce and largest general business association in Wisconsin. We were founded more than 100 years ago, and are proud to represent approximately 3,800 member companies of all sizes, and from every sector of our economy. Roughly one-fourth of the private sector workforce is employed by a WMC member.

Transportation Finance

Adequately funding transportation is the greatest challenge facing our state's infrastructure. The demands of the State Highway Program, appropriately funding road aids to local governments, and various other infrastructure commitments require a more intense focus on these programs and their benefits than the Legislature has given in recent years.

Discussion about revenue increases cannot begin with a skeptical public until cost efficiency and transparency measures are thoroughly implemented and exhausted, starting with:

- Repeal of the prevailing wage requirement for state highway projects;
 - Consolidating federal transportation funds in fewer places to reduce expenses those funds incur;
 - Federalizing the standards of the Wisconsin Environmental Policy Act, as it relates to highway construction exemptions adopted in federal law (already in the administrative rule process as the Trans 400 update);
 - Implementing and codifying the "practical design" standards that WisDOT has developed;
-

501 East Washington Avenue, Madison, WI 53703-2914
Phone 608.258.3400 • Fax 608.258.3413 • www.wmc.org • Facebook WisconsinMC • Twitter @WisconsinMC

Founded in 1911, WMC is Wisconsin's chamber of commerce and largest business trade association.

- Reducing the number of state engineer and engineering-related positions, increased to over 1,200 positions in the 2013-15 state budget;
- Continuing WisDOT's sales of surplus property; and
- Considering the more efficient movement of workers via a private bus system similar to school buses.

The Department should also be preparing to pursue any potential funding opportunities for Wisconsin should federal infrastructure legislation be approved.

State Highway Program

The largest component of the WisDOT budget is the State Highway Program, which is comprised of three major elements: Southeast Megaprojects (Megas), Major Highway Development (Majors), and Highway Rehabilitation (Rehab). Under the agency budget, Rehab would receive an increase over the previous budget.

The agency budget proposes to delay the Verona Road/Highway 151 Majors project and may require an adjustment to the I-39/90 project (pending further information on the interchange with the Highway 12/18 beltline). The Highway 23 upgrade is presently being delayed as the victim of legal challenge.

While the agency budget proposes to enumerate the I-94 East/West Mega project, it also defers completion of the north leg of the Zoo Interchange and the I-94 North-South project. These crucial commercial corridors, through which so much of the state's freight passes, must be completed. The next Mega looming on the horizon is reconstructing the I-43 stretch north of Milwaukee, originally constructed in the 1950s.

Local Road Aids

The agency budget proposes reasonable increases to local road aids for county and municipal governments. Along with aid increases for towns proposed as part of the agency request and announced subsequently on October 13th, these local road increases help businesses make the "last mile" connection of freight movements.

Another helpful component of the agency request is proposed local bridge improvement funding. Truck moves for agriculture, aggregates, timber, and other commodities can often be diverted for significant distances as a result of a local bridge being unable to bear the weight that industry standards require.

Creating flexibility to target infrastructure improvements and rehabilitation on local routes to intermodal rail and transload sites can create capability and incentives to reduce overall truck miles in Wisconsin and enhance the competitiveness of businesses located here.

Intermodal Terminal Network

An issue not addressed in the current agency request but to which some attention

should be devoted is the development of several intermodal terminals in various regions of the state serving domestic freight movements.

While two such facilities exist today to serve western Wisconsin shippers for international containers and a third is being opened in Duluth to serve northern Wisconsin, most international containers and all domestic container movements must move through the choked terminals of Chicago to access markets.

East of Chicago, the two Eastern Class I railroads have developed a significant network of terminals competing with long-haul truck traffic and complementing those trucking companies which have moved to a regional operating basis. This system will eventually make its way west of Chicago, but Wisconsin should not wait until then to prepare for this competitive improvement.

WisDOT cannot compel these changes to occur, but the Department can coordinate with local governments, economic development organizations, the shipper community, and railroads to identify rational locations for such terminals across the state and begin to remedy rail corridors that may presently have obstacles preventing double-stacking of containers. A particular focus on converting truck moves between Chicago and the Twin Cities to intermodal containers may justify a public investment if interstate traffic volume can correspondingly be diminished.

Freight Rail

The agency budget proposes to invest \$12 million in the state's principal freight rail assistance program, the Freight Rail Preservation Program (FRPP). Allocating \$20 million should sufficiently cover needed investments to improve the state-owned rail lines between Waukesha and Milton as well as Prairie du Chien and Madison.

An additional consideration that should be given is allowing FRPP funds to be awarded under certain conditions to branch lines of Class I railroads, particularly in our northern forest regions. Without this change, opportunities to maintain or improve rail service in many parts of the state will result in increasing demand for local and state highways to bear more heavy truck traffic that should remain on or convert to rail.

Another aspect this agency request does not include but should is competitive bidding reform. A change signed by Governor Doyle in the 2009-11 budget results in FRPP funds not stretching as far as they should. The agency's 2015-17 budget request did ask for this language and Rep. Ballweg introduced it earlier this year as AB 1026. It should be adopted this budget cycle.

Weight Limits

The agency request includes helpful increases to weight limits for natural gas vehicles and permitting fluid milk movements in accordance with federal law. The request does not accommodate needed changes to the state's implements of husbandry

regulatory regime, which imposes a steep burden on those operating in multiple jurisdictions.

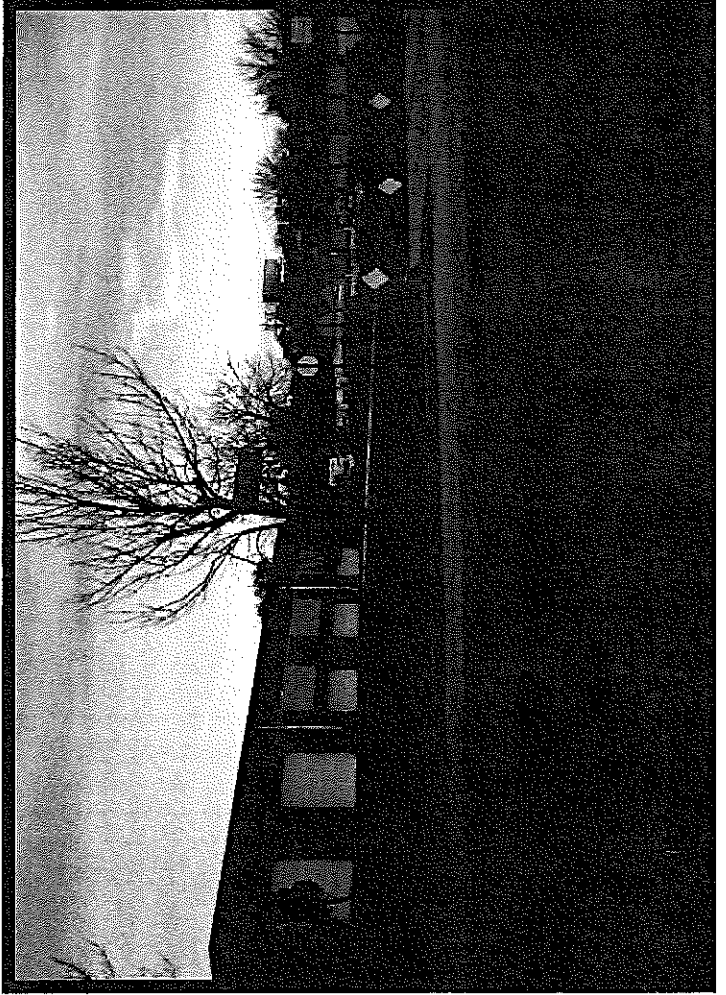
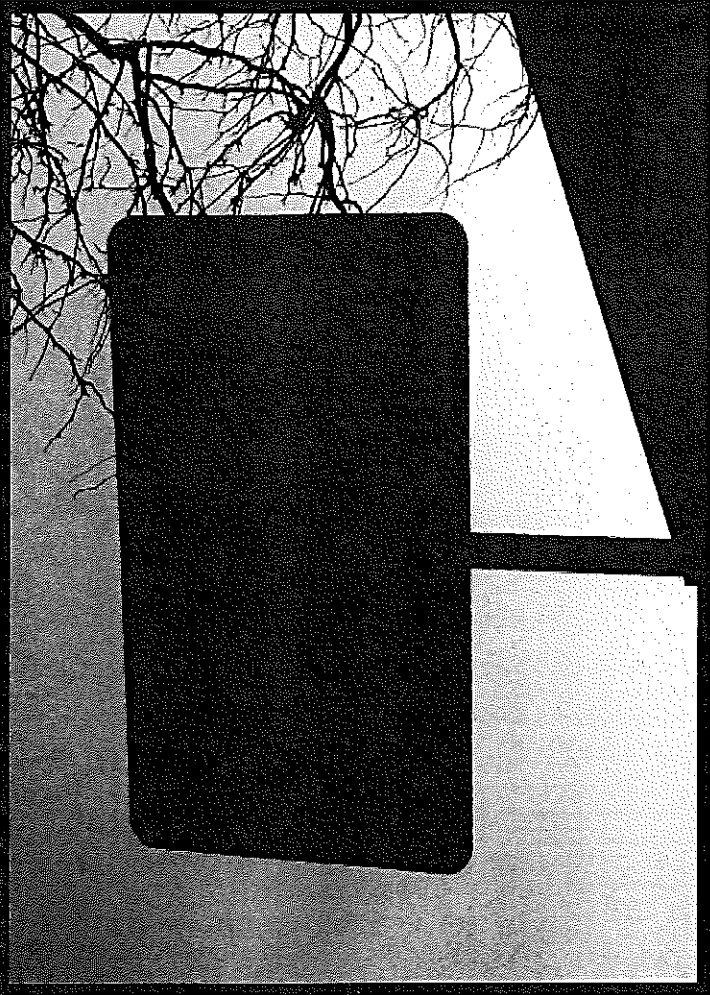
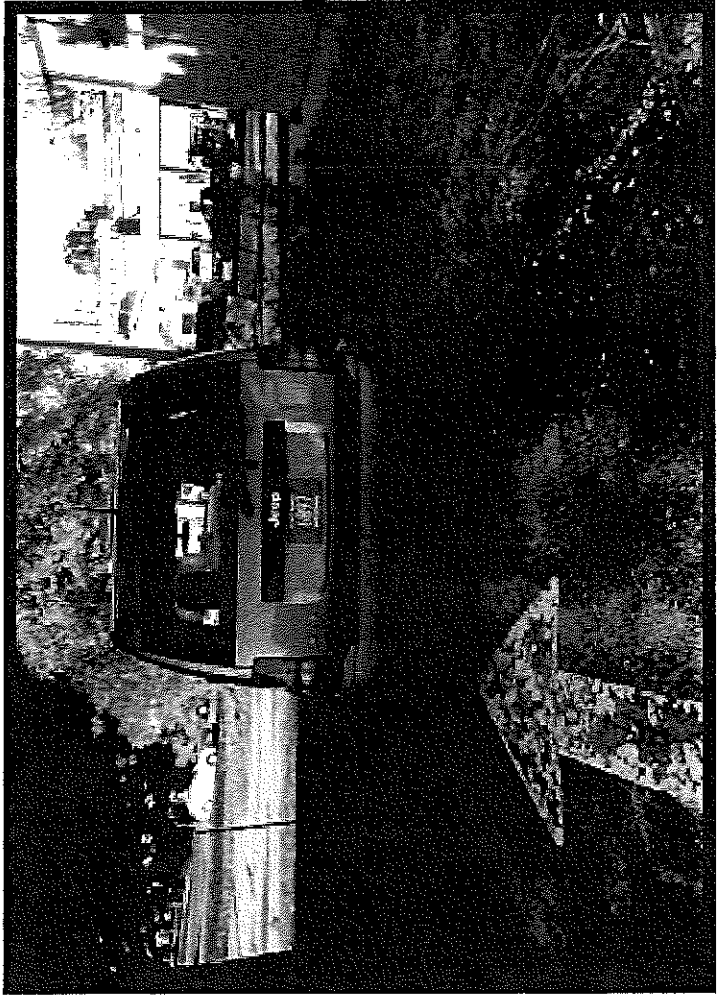
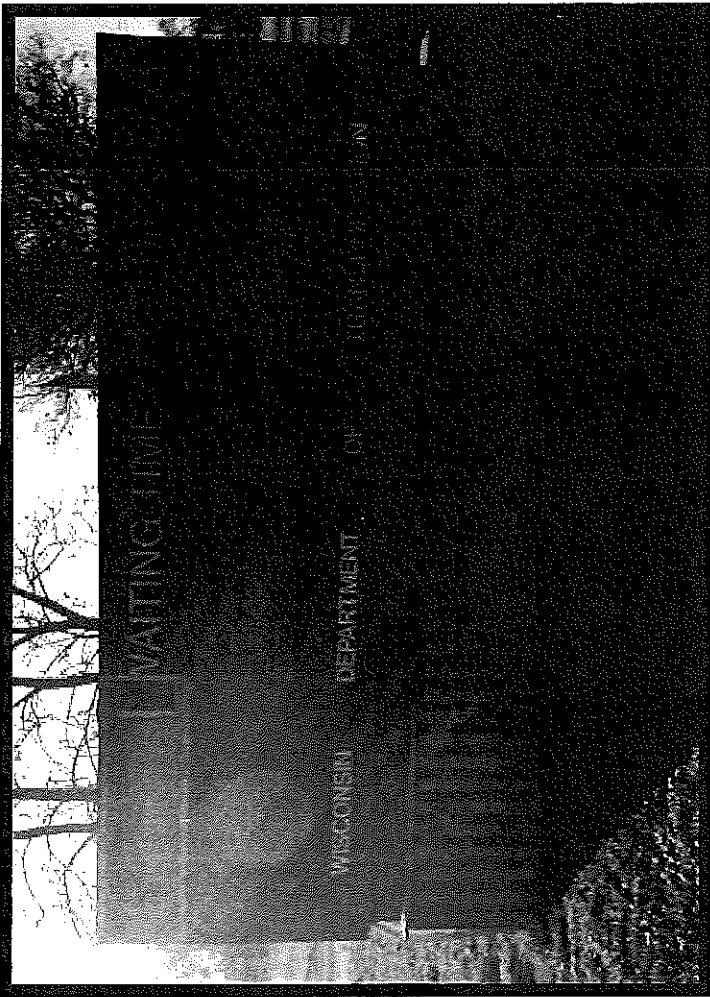
The request does not address weight limit and vehicle configuration accommodations (annual permits) for local trips to or from rail intermodal or transload sites to reduce overall commercial truck miles on Wisconsin roads and bridges and improve competitiveness.

Over-Size/Over-Weight (OSOW)

An additional issue to raise in the transportation budget is the formal creation of the Milwaukee high/wide route to allow 23' movements from West Allis to the Port of Milwaukee and a separate list of statewide high corridors allowing 19'6" movements, as outlined in the WisDOT State Freight Plan. In addition, no roundabouts should be permitted to be built on OSOW freight corridors unless they are proven not to obstruct such movements.

Commercial Port

The agency request appropriately funds The Harbor Assistance Program (HAP). "Short sea shipping" is receiving greater attention from businesses now than in the recent past. The HAP allows new opportunities for shippers to consider moving freight by water.



1000 Friends of Wisconsin remarks to Assembly Committee on Transportation

12/06/2016

Representative Ripp, Representative Spiros and members of the assembly committee on transportation, thank you for your invitation to testify at this information hearing today. For the record, my name is Ashwat Narayanan; I am director of transportation policy at 1000 Friends of Wisconsin. We are a non-partisan, nonprofit organization that works to promote land use and transportation policies that advance healthy communities, positive economic outcomes and environmental benefits in Wisconsin.

I am here today to outline our priorities for the upcoming biennial transportation budget. For decades, we have invested heavily in our state highway programs—that have resulted in these vital corridors performing excellently. Wisconsin Department of Transportation's latest MAPSS report show that 97.6 percent of backbone state highways are rated fair or better and nearly 80 percent of non-backbone state highways are rated fair or better. However, we have fallen behind in ensuring the similar upkeep of our local infrastructure. Today in our state, local roads are in extremely poor condition, with nearly one in three rated poor or worse. Public transportation systems are struggling, with many having had to cut routes and increase fares due to a lack of capital and operational investment. These conditions are a result of skewed spending priorities. Reimbursement to local units of government for the maintenance and upkeep of their transportation infrastructure has consistently declined over the last fifteen years. According to WisDOT's annual "*Transportation Budget Trends*" report, funding to the general transportation aids program has declined from close to 20% of the total budget in 2000 to 13% today. Local road funding has declined from 14% of the total budget in 2000 to just 6% today. Funding for public transit has gone down by a percentage point in the same time period. Repaying transportation debt now accounts for 15% of the total transportation budget today, up from 5% in 2000.

These skewed transportation funding priorities have led to a huge lost economic development opportunity cost. Every trip begins and ends at a local road. Potholes often cause damage to commuters' cars leaving them with no option to go to work, in many cases resulting in the loss of their jobs. A 2013 study found that poor local roads in the Milwaukee urban area cost drivers nearly \$700 per year in maintenance costs and Madison drivers \$615. Counties, municipalities, towns and villages are being forced to raise revenue through property and wheel taxes—a form of double or triple taxation to pay for the maintenance and upkeep of infrastructure that they are entitled to gas tax funding for. Businesses, commuters and communities as a whole suffer when local infrastructure is not prioritized. Another important local priority that has fallen behind is the maintenance and improvement of public transportation. Transit is a valuable economic development tool that connects people to jobs, health care, school and opens up opportunities that are only limited due to a lack of transportation. At a recent community forum sponsored by 1000 Friends, WISPIRG, Sierra Club and our partners Waukesha Transportation Coalition and the Common Ground Transportation Team, more than eighty community members, including several employers spoke to the need for increased funding for public

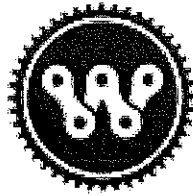
transportation. Local businesses cited a chronic labor shortage. Unfortunately, a large pool of people in the area who are willing and able to participate in the workforce are unable to do so due to a lack of reliable transportation. In a recent news report, a Waukesha County Supervisor who is also vice president of Midland Plastics in New Berlin touted the success of the JobLines bus routes that connected over 450 people, many of whom were workers to Waukesha County in October last year.

UW-Milwaukee estimated that nearly 40,000 jobs became inaccessible, with 1,324 employers losing access to workers due to cuts to public transit in the Milwaukee region alone over the last fifteen years. Their report [Public Transit and Access to Jobs in the Milwaukee Metropolitan Area, 2001-2014] states *"It is not enough to simply maintain funding for public transit at the current level—instead, a concerted rebuilding effort is needed and long term sources of transit funding must be identified to avoid further cutting off transit-dependent job holders and job seekers from the region's job growth centers."* We simply cannot afford not to invest in public transportation. Wisconsin Department of Transportation estimates that public transit use saves Wisconsin riders and taxpayers an estimated \$730 million annually—which is then reinvested in the state's economy. The agency found that just a 2.5% increase in funding for public transportation would produce a \$6 billion dollar net present value in returns for the state.

There has been considerable debate on whether to raise the gas-tax to cover our transportation needs. We do not believe that increasing taxes, without realigning our transportation priorities is a sustainable, long term solution at this time. Our problem is one of spending, and not one of revenue. Spending on major highway programs has increased by over 50 percent in the last decade alone, at the expense of the local priorities outlined earlier. We believe that several of these expansion programs are not warranted, primarily due to changing demographics and technological advances that would render these projects obsolete in the near future. Wisconsin is also an increasingly aging state. The Department of Administration projects that we will add nearly 800,000 people to the state by 2040, of which more than 750,000 will be seniors. These are citizens who will need access to jobs, medical appointments, shopping and leisure to maintain a high quality of life—and a majority will likely be unable or choose not to drive. There is growing consensus that young people today are moving away from buying cars and are increasingly looking to ridesharing, transit and living within walking distance of goods and services. In addition, technological changes that could see nearly a third of all vehicles being automated by 2030 mean that our existing highway networks could handle much more traffic safely and efficiently, reducing the need for additional capacity. Expensive highway expansion programs, like Interstate 94 in Milwaukee, that could cost nearly 1 billion upon completion are not a prudent investment in our future. Instead, repairing and rehabilitating our freeway infrastructure within their original footprints will save taxpayers hundreds of millions of dollars—money that can then be invested in our local infrastructure. A recent report by the Wisconsin Public Interest Research Group *"Fork in the Road"* found that right-sizing just four major current and future projects in the state—Highway 23 in Sheboygan and Fond-du-Lac County, Interstate 90 to the Illinois state line, I-94 in Milwaukee and the proposed expansion of the Madison Beltline would save

enough money to fund all of the local priorities suggested in *"Keep Wisconsin Moving"*, a report released by the Wisconsin Transportation Finance and Policy Commission. We will also save hundreds of millions of dollars in future maintenance costs that will be precluded by right-sizing these projects. In addition, it is not financially responsible to green-light these highway expansions before the release of the forthcoming recommendations of the state legislative audit bureau who are currently studying the state highway program.

We therefore respectfully urge this committee to increase funding to our local programs, cut wasteful highway expenditure and implement a balanced funding program that will build a truly modern transportation system in the state.



**WISCONSIN
BIKE FED**

December 6, 2016

TO: Rep. Keith Ripp, Chair, Assembly Transportation Committee

FR: Dave Cieslewicz, Executive Director, The Bike Fed

RE: Transportation Budget

I served on the Wisconsin Transportation Finance & Policy Commission. It was a pleasure to serve and the final report "Keep Wisconsin Moving" issued in January, 2013 is a very good document. Secretary Mark Gottlieb chaired the panel with an even hand, DOT staff provided excellent information, and all the members came to the table in a spirit of cooperation.

Here are the elements of the report that I hope you will support for inclusion as part of the next transportation budget.

- An annual increase in bicycle and pedestrian funding of \$10 million.
- Allowing local governments to form regional transit authorities.
- Additional funding for transit of \$36.3 million per year.
- Creation of a state transit capital program at \$15 million per year.

The report also called for increased local road aids and increased investment in road maintenance and repair. These investments are good for Wisconsin drivers, economic development and for cyclists, whether they are commuting to work, riding to complete errands or riding for recreation and exercise.

The Wisconsin biking industry adds \$1.5 billion to our economy and accounts for about 14,000 jobs. Moreover, our paved road network is the envy of the world. Both younger residents and an aging population are looking for freedom of transportation choice: sometimes driving, but also having the option to reach their destination by walking, cycling, or using public transportation.

At the Bike Fed we believe that the most basic of transportation budget principles is the simple freedom to choose a safe and convenient mode to get you where you need and want to go.

Thank you for your consideration.



LEAGUE OF WOMEN VOTERS®
WISCONSIN

612 W. Main Street, #200
Madison, WI 53703-4714

(608) 256-0827
lwvwi.org

December 5, 2016

To: Assembly Committee on Transportation

From: Andrea Kaminski, Executive Director, League of Women Voters of Wisconsin

Re: Wisconsin Dept. of Transportation's 2017-19 Biennial Budget Proposal

Transit systems keep communities moving by helping Wisconsin residents – seniors, people with disabilities and those with limited income – to have access to mobility, be part of the community, and live more self-sufficient lives. Transit helps people get to work, medical appointments, stores, and other daily needs. Cuts to transit programs over the past years have left many people with fewer choices and many find themselves cut off from options all together.

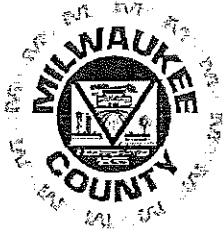
Wisconsin's transportation funding is out of balance. State government has chosen to spend most of our transportation dollars on massive state highway projects. This imbalance has left cities and counties without enough money to fill potholes, repair roads, provide adequate transit services for people who cannot drive, build sidewalks, and ensure that children can safely walk to school. Essentially, out-of-balance transportation funding has forced local government to make difficult choices resulting in cuts to transportation options, education, law enforcement and many other critical local services.

In the upcoming state budget and legislative session, we call on the state legislature to provide adequate funding for transportation networks around the state to reflect current needs and demographic trends.

Transit – Restore previous cuts and increase state funding to a level that will allow our transit infrastructure to meet the needs of workers in our communities and address significant demographic changes including the growing senior population and the younger generations that are choosing transit options and are driving less.

Specialized Transportation - Despite the rapidly growing number of older adults in Wisconsin and the increased costs of providing transportation, state funding has remained flat since 2011. Adjust the specialized transportation funding levels to reflect the needs of those living with disabilities and the growth in the older adult population in the state over the past several years and going forward.

Transportation systems are part of the infrastructure that helps people get to jobs, medical appointments, and remain active and engaged as members of the community and local economy. Where there are strong systems and meaningful mobility choices, there are strong communities.



OFFICE OF THE COUNTY EXECUTIVE

Milwaukee County

CHRIS ABELE • COUNTY EXECUTIVE

December 5, 2016

ASSEMBLY COMMITTEE ON TRANSPORTATION
c/o Rep. Keith Ripp, Chairman
Room 223 North, State Capitol
PO Box 8953
Madison WI 53708

via electronic mail

To the Honorable Chairman Ripp and members --

Thank you for beginning hearings on the state transportation budget and the related funding concerns. Leadership is needed in these times to layout a sustainable, responsible, and pragmatic plan for the development and maintenance of our transportation infrastructure. As a local government leader with responsibilities for many modes of transportation in Milwaukee County, I urge your careful consideration of the transportation network in Wisconsin and offer input on the issues facing Milwaukee County.

Developing and managing a robust transportation network has historically been a joint responsibility of all levels of government, with the heaviest share of funding coming from state and federal resources. In recent years, though, these resources have declined substantially and the future outlook is uncertain. State funding for mass transit – the largest source of revenue for the Milwaukee County Transit System – in 2015 was below 2011 levels by more than \$4 million, a decline of more than 6 percent, while expenses naturally have risen. State funding for local roads and county highways follows a similar pattern, dropping by 25 percent since 2007. In light of these reductions and the uncertainty about future funding and in the face of the County's ongoing infrastructure and operating needs, the 2017 adopted County budget includes a \$30 vehicle registration fee (VRF) to support transportation needs in Milwaukee County.

The County Board and I have taken the tough political step of implementing the VRF to begin to secure the transportation network in our county. Beyond borrowing more money (which I have worked hard to reduce those liabilities in recent years), the VRF is the only tool the County has lawful permission to exercise towards this goal. Now, Milwaukee County's taxpayers and citizens need the historic state and federal partnership for transportation to be renewed and strengthened. Namely, the County needs the state to step forward in this budget and find a solution for funding of the transportation network.

As you deliberate the appropriate ways to improve revenues, control costs, and appropriate expenditures the following should be carefully considered:

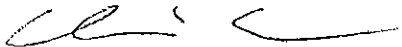
- 1) Reductions to highway and local road aids and mass transit should be restored to funding levels before the reductions induced by the Great Recession. Such restorations of funding will allow the County to accelerate its maintenance and replacement schedule of local roads and improve the transit service in the state's economic engine. Local roads are not simply "roads to home" but rather are main connectors of goods and services to market, such as County Highway Y (Layton Ave) or County Highway PP (Good Hope Rd). Milwaukee County's roads are the in the highest and densest population of taxpayers in the state and some of the most-heavily used roads in our state.

- 2) The budget should provide full funding of the state Routine Maintenance Agreement (RMA). Statewide, RMA's to counties are underfunded based on the level of service calculated by the WisDOT for the actual need for service. Full funding of the RMA demonstrates the state's commitment to necessary maintenance for the Interstate and State Highways within Milwaukee County ensuring safe travel.
- 3) Transit is a vital part of the transportation network in our urban economy, moving workers and people to jobs and education. Transit should be prioritized to remain in the transportation fund and receive increases in funding proportional to any increase in the highway and/or local road funding that this coming budget may hold.
- 4) The implementing law of the Vehicle Registration Fee (WI stats. 341.35) should be reviewed and updated to allow local governments to implement the VRF in a more equitable manner rather than a flat fee as well as include heavier vehicles in that fee as those vehicles do greatly impact the transportation network in our setting. I am convening a taskforce of public and private sector officials to offer input to you on changes to the VRF and will provide you their report when it is finalized. This will not require any funding from the state, but will provide more flexibility to local governments.
- 5) The State's investment in and commitment to the Zoo interchange project is both impressive and necessary. Delay of the north leg should not be implemented on the most used corridor of the interstate system in Wisconsin. The movement to market of goods and services from Milwaukee County, the Fox Valley, and points north should not be delayed.
- 6) Airports and their impact on economic development are crucial both to our region and the state. The state should review its potential investments in major airports and offer further support where a return on investment will yield growth in the income and sales tax base for the state. While this is not limited to the transportation budget, leadership will be needed to realize this new expansion of the federal-state-local partnership on air service and economic development. For Mitchell International, a state commitment to a minimum revenue guarantee will ensure the first major expansion of international Trans-Atlantic air service for business and recreation in decades resulting in more air service for Wisconsin citizens to more parts of the world.

It is my hope that the state and local partnership on the transportation network can be strengthened and improved in this coming state budget. Milwaukee County has taken tough steps to improve our local transportation network and we remain ready to engage with and partner with the Legislature, Governor, and administration officials to rebuild and strengthen our transportation network in Wisconsin.

Thank you for your leadership and I remain open to be of service to improving our transportation network in our region and state.

Sincerely,



CHRIS ABELE
Milwaukee County Executive

cc: Assembly Speaker Robin Vos
Assembly Minority Leader Peter Barca
Senate Majority Leader Scott Fitzgerald
Senate Minority Leader Jennifer Shilling
Members, Milwaukee County Legislative Delegation
Governor Scott Walker

Date: December 6, 2016

Re: Assembly Committee on Transportation Informational Hearing

To: Representative Keith Ripp, Chair, and Members of the Assembly Transportation Committee

From Barbara Beckert, Disability Rights Wisconsin - Director Milwaukee Office

Thank you for your consideration of these recommendations from Disability Rights Wisconsin regarding transportation priorities for people with disabilities in the 2017 – 2017 Biennial Budget. As Wisconsin's protection and advocacy agency for people with disabilities, we see every day how essential accessible, affordable transportation is to maintaining the independence of people with disabilities and their ability to be contributing members of their community.

DRW recommends that the biennial budget prioritize improved transportation solutions that address the severe lack of adequate, accessible transportation and that are needed to support independence and life in the community for the approximately 700,000 Wisconsinites with disabilities.

The Growing Need for Transportation Services

Transportation is vital to an independent life in the community and allows people with disabilities to work and caregivers to provide care. Many people with disabilities do not drive or own a vehicle because of their disability and/or limited income. Access to transportation is consistently the top concern for people with disabilities in Wisconsin. A Wisconsin survey of more than 500 people with developmental disabilities found that a lack of transportation affects people with disabilities' ability to get to work (70%), impacts getting to medical appointments (66%), limits the ability to participate in their communities (86%), limits ability to shop and support local businesses (75%), and impacts people's ability to see their family (53%).

The need for transportation services continues to grow as the population eligible for these services increases. The number of people with disabilities in Wisconsin increased by over 13% from 2009 to 2014. Adding older Wisconsinites (over 65) who rely on many of the same transportation programs, this part of our population increased by over 15% from 2009 to 2014. Both numbers are expected to increase over the next decades as baby boomers age - one in five Wisconsinites aged 65 and older does not drive. This trend limits the ability of transportation programs to meet needs with existing funding.

People with disabilities rely on a range of transportation options include public transit systems (buses as well as shared ride taxi programs), specialized transportation (85.21) and in some areas, volunteer drive programs. There are over 80 transit systems throughout the state; approximately

MADISON

131 W. Wilson St.
Suite 700
Madison, WI 53703

608 267-0214

608 267-0368 FAX

MILWAUKEE

6737 West Washington St.
Suite 3230
Milwaukee, WI 53214

414 773-4646

414 773-4647 FAX

RICE LAKE

217 West Knapp St.
Rice Lake, WI 54868

715 736-1232

715 736-1252 FAX

disabilityrightswi.org

800 928-8778 consumers & family

53% of the state's population is served by transit. In rural areas, where transit is not available, people with disabilities rely upon other human services transportation programs. Counties and municipalities run many transportation programs. As a result, transportation often stops at the jurisdictional lines. These barriers sometimes prevent people with disabilities from accessing jobs, workers and services in nearby communities. Counties and providers need help to meet the demand, and support regional collaboration.

We commend Wisconsin policy makers for expanding access to community services and supports for people with disabilities including Comprehensive Community Services (CCS) for people with mental illness, and expansion of Family Care and IRIS for people with intellectual disabilities and physical disabilities. However, for participants to fully utilize these community services, access to transportation is essential. Unfortunately, as the number Wisconsinites with disabilities living in the community has increased, funding for transit and specialized transportation has decreased. Transportation is a key component of Wisconsin's commitment to independent living for people with disabilities.

The Impact of Reduced Funding for Transportation Services

Cuts in transportation aids have resulted in reduced routes and/or increased fares that have reduced access and isolated many people with disabilities, denying them independence and access to employment, education, healthcare, shopping, schools, worship and other community resources. When people with disabilities cannot access transportation or the transportation network does not get them where they need to go when they need to, they are unable to work, spend money at local businesses, attend worship, or visit family and friends. Lack of access to transportation also limited options for people with disabilities to maintain employment and for caregivers to get to work - nearly half of transit use is for work-related purposes.

The lack of transportation services is further compounding the crisis-level shortage of direct care workers in Wisconsin. These workers, which include personal care, home health and therapy aides, make it possible for people with disabilities and older adults to lead safe, healthy and independent lives in the community. Direct care workers generally have a modest income; many cannot afford a car and must rely on public transportation. If transportation is not available, direct care workers cannot provide the care that is needed for people with disabilities to live in the community.

RECOMMENDATIONS

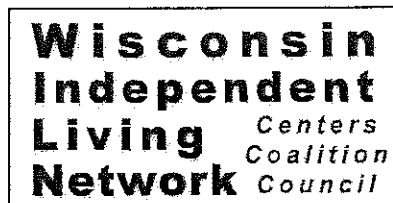
Disability Rights Wisconsin encourages policy makers to prioritize transportation programs that assist people with disabilities and their care providers. The 2017–19 budget should strongly support the following recommendations which will advance transportation services that provide people with disabilities with access to their communities:

- Preserve the state investment in local transit by restoring Transit Operating Aids. Research shows a net return on investment for transit increases. (\$18.8 million annually).

- Increase funding for the County and Tribal Specialized Transportation Assistance Program for older adults and people with disabilities. The Department of Transportation's proposal is a start to addressing the need; however, the increasing population eligible for these services justifies a greater investment. (Sec. 85.21 by \$965,400; Sec. 85.22 by \$132,000 annually).
- Promote regional and local coordination through increasing funding for mobility management, as recommended by Governor Walker's Transportation Finance and Policy Commission and allow the creation of regional transit authorities to reduce artificial barriers at county lines. (\$2.5 million annually).
- Create a state level transportation coordinating committee to address successful transportation outcomes and effective use of resources. The committee should include DOT and DHS as well as other state agencies who operate, support, or need transportation services for program success. Effectively coordinating transportation can be the best way to overcome barriers and lead to cost savings for both the individual and the state. (No cost).
- Promote regional and local coordination through increasing funding for mobility management. Gov. Walker's Transportation Finance and Policy Commission recommended \$2.5 million annually.

Funding transit is a smart investment. It lowers governmental costs by helping people with disabilities live independently and be employed. Transit uses less than 5% of the total transportation fund. This small investment does so much for Wisconsin's economy and quality of life. It also allows transportation-limited people to provide care for people with disabilities.

The disability community is eager to be a resource for members of the Assembly and the Transportation Committee. Since today's hearing did not include any invited speakers from disability or aging groups, Committee members will not have the opportunity today to hear from disability and aging groups about their specialized transportation needs. Given the increasing numbers of Wisconsinites with disabilities and the rapidly aging population in this state, it will be important for policy makers to prioritize the specialized needs of these populations in the DOT budget. We thank you for considering these recommendations, and welcome opportunities to meet with you regarding these recommendations and to participate in future hearings.



Bob Olsgard, Chair
Transportation Advocacy Committee
Wisconsin Independent Living Network
3810 Milwaukee Avenue
Madison, WI 53714

Representative Keith Ripp, Chair
Wisconsin Assembly Committee on Transportation

12/6/2016

Re: Biennial Transportation Budget priorities need to support non-drivers

Representative Ripp and Committee members,

As chair of the Wisconsin Independent Living Network's (WILN) committee on transportation advocacy I am writing to provide information which I hope may inform your consideration of the Department of Transportation's (WisDOT) budget for next biennium. As you may know, the Wisconsin Independent Living Network is made up the Wisconsin Coalition of Independent Living Centers (WCILC) with input from the Independent Living Council of Wisconsin (ILCW). As such we represent and provide an advocacy vehicle for Wisconsin's Centers for Independent Living and for our many consumers with disabilities.

Our concerns about the proposed WisDOT biennial budget are as follows

As you may know, transportation is increasingly critical to assure the independence of people with disabilities. Many people with disabilities do not drive or own a vehicle because of their disability and/or limited income.

From 2009 to 2014 the number of people with disabilities in Wisconsin increased by over 13%. Adding older Wisconsinites (over 65) who rely on many of the same transportation programs, this part of our population increased by over 15% from 2009 to 2014. Both numbers are expected to increase over the next decades as baby boomers age. This trend of increased need limits the ability of transportation programs to provide service at present funding levels.

In fact this dramatic increase in need has come about during a time of reduced funding. Cuts in Aids over the past decade – 10% at the depth of the recession – resulted in reduced routes and/or increased fares. Cuts in Aids resulted in reduced access, further isolating many people with disabilities and denying them independence and access to employment, education, healthcare, small businesses, schools, churches and other community resources.

Transit is important for both people with disabilities and their family and care providers.

- Family and caregivers frequently use transit to get to locations where they provide care. Some people with disabilities need supports at all hours of the day.
- Nearly half of transit use is for work related purposes.
- Funding transit lowers governmental costs by helping people with disabilities live independently and be employed.
- Transit uses less than 5% of the total transportation fund. This small investment does so much for Wisconsin's economy and quality of life. It also allows transportation-limited people to provide care for people with disabilities.

While Wisconsin operates over 80 transit systems; only 53% of the state's population is served by transit. In rural areas, people with disabilities rely upon other human services transportation programs such as Wisconsin's state-funded 85.21 program operated by counties. Counties and other providers also need help to meet increasing demand. Counties and municipalities run many transportation programs. As a result, transportation may stop at jurisdictional lines, creating barriers that prevent people with disabilities from accessing jobs, workers and services in nearby communities.

To help consumers navigate this array of programs, Mobility Managers create efficiencies through coordination of services in some areas. We believe still greater efficiency could be achieved by coordinating these transportation programs at the state level.

WILN encourages the committee to recommend prioritizing transportation programs that assist people with disabilities and their care providers. The 2017-19 budget should strongly support transportation services that provide access for people with disabilities to their communities by adopting the following recommendations:

- Restore Transit Operating Aids through a 14.9% (\$16.5 M) increase. Research shows a net return on investment for transit increases which could be improved through innovation to provide more options in both urban and rural areas. For instance, the Wis. Dept. of Transportation proposed the Supplemental Transit Expansion Program in 2014 in its budget request to address a recommendation of the Transportation Finance and Policy Commission. The Supplemental Transit Expansion Program (a continuing GPR appropriation for \$16,000,000 in s. 20.395(1), Wis. Stats., to promote increases in transit availability and transit ridership - "DIN 5105").
- Increase funding for the Specialized Transportation Assistance Program for older adults and people with disabilities (Sec. 85.21 by 965,400; Sec. 85.22 by \$132,000). Research shows benefits of \$8.35 per dollar invested in human service transportation programs like these.

- Actively pursue coordination at state, regional, and local levels, using all available funding to do so. At the state level, we can improve efficiency by creating a state coordinating committee to reduce barriers to coordinating transportation funding if the committee includes DOT, DHS and other agencies providing services and/or controlling transportation policies. We can promote regional and local coordination through increasing funding for mobility management. Gov. Walker's Transportation Finance and Policy Commission recommended \$2.5 million annually.

Please feel free to contact me for further information.

Bob Olsgard, Chair, Transportation Advocacy Committee
Wisconsin Independent Living Network

bob@northcountryil.org
218-390-6451 (cell)
1-800-924-1220 v/tty



ASSOCIATION OF
EQUIPMENT MANUFACTURERS

AGRICULTURE
CONSTRUCTION
FORESTRY
MINING
UTILITY

Chairman Keith Ripp
Assembly Committee on Transportation
Room 223 North
State Capitol
P.O. Box 8953
Madison, WI 53708

December 6, 2016

Dear Chairman Ripp:

I am writing to encourage you to help advance a meaningful infrastructure proposal that will help invest in Wisconsin's roads and bridges on behalf of dozens of Wisconsin manufacturers, and many more across the country.

As you know, numerous projects to improve the condition and expand the capacity of Wisconsin's roads, highways, bridges and transit systems will not be able to proceed without a substantial boost in state or local transportation funding. If Wisconsin is unable to complete needed transportation projects, it will hamper the state's ability to improve the condition and efficiency of its transportation system or enhance economic development opportunities and quality of life.

This is an especially important priority for the many members of the Association of Equipment Manufacturers (AEM) who maintain factories and/or headquarters in Wisconsin. AEM is the North American-based international trade association representing over 950 companies in the off-highway machinery market. We are headquartered in Milwaukee, and have 98 member companies in the state.

On behalf of these companies, we respectfully ask that the 2017-19 WisDOT budget proposal take into account the long-term needs of both citizens and businesses in Wisconsin

The efficiency and condition of Wisconsin's transportation system, particularly its highways, is critical to the health of the state's economy. Almost 1.4 million jobs in Wisconsin depend on the state's transportation infrastructure network, and these workers earn some \$55 billion in wages and contribute \$10 billion to the state through various taxes.

1000 Vermont Avenue, NW
Suite 450
Washington, DC 20005

T 202.898.9968
F 202.898.9068

HEADQUARTERS: MILWAUKEE, WI
OFFICES: WASHINGTON, DC OTTAWA, CANADA BEIJING, CHINA

WWW.AEM.ORG
AEM@AEM.ORG
Toll free: 866.AEM.0242

I have attached a copy of a recent report by TRIP, a nonpartisan, nonprofit research organization, on the condition of Wisconsin's roads. I would ask you to consider the following findings from that report:

- Driving on deficient roads costs Wisconsin motorists a total of \$6 billion annually in the form of additional vehicle operating costs, congestion-related delays and traffic crashes.
- More than two-fifths of major locally and state-maintained roads and highways in Wisconsin suffer from mediocre to poor condition pavements.
- Fourteen percent of locally and state-maintained bridges in Wisconsin show significant deterioration or do not meet current design standards often because of narrow lanes, inadequate clearances or poor alignment.
- Improving safety features on Wisconsin's roads and highways would likely result in a decrease in the state's traffic fatalities and serious crashes. It is estimated that roadway features are likely a contributing factor in approximately one-third of all fatal and serious traffic crashes.

AEM is following the transportation budget discussions closely, and welcomes the opportunity to serve as a resource to legislators and their staff. We hope you will keep these factors in mind when finalizing the WisDOT budget for the coming years. Should you have any questions, please feel free to contact Stephanie See, Director of State Government and Industry Relations, at ssee@AEM.org.

Sincerely,



Nick Yaksich
Senior Vice President, Government and Industry Relations

Enclosure: *WISCONSIN TRANSPORTATION BY THE NUMBERS: Meeting the State's Need for Safe, Smooth and Efficient Mobility* (TRIP, May 2016)

Cc: Wisconsin General Assembly Transportation Committee Members

WISCONSIN TRANSPORTATION BY THE NUMBERS:

Meeting the State's Need for Safe, Smooth and
Efficient Mobility

MAY 2016



Founded in 1971, TRIP® of Washington, DC, is a nonprofit organization that researches, evaluates and distributes economic and technical data on surface transportation issues. TRIP is sponsored by insurance companies, equipment manufacturers, distributors and suppliers; businesses involved in highway and transit engineering and construction; labor unions; and organizations concerned with efficient and safe surface transportation

Ten Key Transportation Numbers in Wisconsin

\$6 billion	Driving on deficient roads costs Wisconsin motorists a total of \$6 billion annually in the form of additional vehicle operating costs (VOC), congestion-related delays and traffic crashes.
Madison: \$2,072 Milwaukee: \$2,060	TRIP has calculated the cost to the average motorist in Wisconsin's largest urban areas in the form of additional VOC, congestion-related delays and traffic crashes. The average Madison area driver loses \$2,072 annually, while each Milwaukee area driver loses \$2,060.
2,743 13 % 62	A total of 2,743 people were killed in Wisconsin traffic crashes from 2011 to 2015. The number of traffic fatalities increased by approximately 13 percent between 2014 and 2015, increasing by 62 deaths from 494 to 556.
2 X	The fatality rate on Wisconsin's non-interstate rural roads is more than double that on all other roads in the state (1.24 fatalities per 100 million vehicle miles of travel vs. 0.54).
42% Statewide 68% Madison 56% Milwaukee	Statewide, 42 percent of Wisconsin's major roads are in mediocre to poor condition. Sixty-eight percent of major roads in the Madison urban area are in mediocre to poor condition, while in the Milwaukee urban area 56 percent of major roads are in mediocre to poor condition.
\$264 B \$236 B	Annually, \$264 billion in goods are shipped from sites in Wisconsin and another \$236 billion in goods are shipped to sites in Wisconsin, mostly by truck.
14%	A total of 14 percent of Wisconsin bridges show significant deterioration or do not meet current design standards. Nine percent of the state's bridges are structurally deficient and five percent are functionally obsolete.
36 hours 38 hours	The average driver in the Madison area loses 36 hours to congestion annually, while each driver in the Milwaukee urban area loses 38 hours annually.
\$274 33	A recent analysis by WisDOT found that the average Wisconsin motorists pays \$274 annually in state and local registration-related fees and gas taxes, a level ranked 33rd nationally among states.
1,393,428 \$54.8 B \$10 B	1,393,428 full-time jobs in Wisconsin in key industries like tourism, retail sales, agriculture and manufacturing are completely dependent on the state's transportation infrastructure network. These workers earn \$54.8 billion in wages and contribute an estimated \$10 billion in state and local income, corporate and unemployment insurance taxes and the federal payroll tax.

Executive Summary

Eight years after the nation suffered a significant economic downturn, Wisconsin's economy continues to rebound. The rate of economic growth in Wisconsin, which will be greatly impacted by the reliability and condition of the state's transportation system, continues to have a significant impact on quality of life in the Badger State.

An efficient, safe and well-maintained transportation system provides economic and social benefits by affording individuals access to employment, housing, healthcare, education, goods and services, recreation, entertainment, family, and social activities. It also provides businesses with access to suppliers, markets and employees, all critical to a business' level of productivity and ability to expand. Reduced accessibility and mobility - as a result of traffic congestion, a lack of adequate capacity, or deteriorated roads, highways, bridges and transit facilities - diminishes a region's quality of life by reducing economic productivity and limiting opportunities for economic, health or social transactions and activities.

With an economy based largely on agriculture, food, paper and beverage production, manufacturing, health care, education and tourism, the quality of Wisconsin's transportation system plays a vital role in the state's economic growth and quality of life.

In this report, TRIP looks at the top transportation numbers in Wisconsin as the state addresses its need to modernize and maintain its system of roads, highways, bridges and transit.

In December 2015 the president signed into law a long-term federal surface transportation program that includes modest funding increases and allows state and local governments to plan and finance projects with greater certainty through 2020. The Fixing America's Surface Transportation Act (FAST Act) provides approximately \$305 billion for surface transportation with highway and transit funding slated to increase by approximately 15 and 18 percent, respectively, over the five-year duration of the program. While the modest funding increase and certainty provided by the FAST Act are a step in the right direction, the funding falls far short of the level needed to improve conditions and meet the nation's mobility needs and fails to deliver a sustainable, long-term source of revenue for the federal Highway Trust Fund.

COST TO WISCONSIN MOTORISTS OF DEFICIENT ROADS

An inadequate transportation system costs Wisconsin motorists a total of \$6 billion every year in the form of additional vehicle operating costs (VOC), congestion-related delays and traffic crashes.

- TRIP estimates that Wisconsin roadways that lack some desirable safety features, have inadequate capacity to meet travel demands or have deteriorated pavement conditions cost the state's residents approximately \$6 billion annually in the form of additional vehicle operating costs (including accelerated vehicle depreciation, additional repair costs, and increased fuel consumption and tire wear), the cost of lost time and wasted fuel due to traffic congestion, and the financial cost of traffic crashes.
- TRIP has calculated the average cost to drivers in the state's largest urban areas as a result of driving on roads that are deteriorated, congested or lack some desirable safety features. The chart below details the costs to drivers statewide and in the Madison and Milwaukee urban areas.

Location	VOC	Congestion	Safety	TOTAL
Madison	\$974	\$911	\$187	\$2,072
Milwaukee	\$861	\$987	\$212	\$2,060
Wisconsin	\$3.2 Billion	\$1.7 Billion	\$1.1 Billion	\$6 Billion

POPULATION AND ECONOMIC GROWTH IN WISCONSIN

The rate of population and economic growth in Wisconsin have resulted in increased demands on the state's major roads and highways, leading to increased wear and tear on the transportation system.

- Wisconsin's population reached approximately 5.8 million residents in 2015, an eight percent increase since 2000.
- Wisconsin had 4.2 million licensed drivers in 2014.
- Vehicle miles traveled (VMT) in Wisconsin increased by five percent from 2000 to 2014—from 57.3 billion VMT in 2000 to 60.1 billion VMT in 2014.
- Vehicle miles of travel in Wisconsin in 2015 were 4.2 percent higher than in 2014. U.S. vehicle miles of travel in 2015 were 3.5 percent higher than in 2014.
- By 2030, vehicle travel in Wisconsin is projected to increase by another 25 percent.
- From 2000 to 2014, Wisconsin's gross domestic product, a measure of the state's economic output, increased by 18 percent, when adjusted for inflation. U.S. GDP increased 24 percent during this time.

WISCONSIN ROAD CONDITIONS

A lack of adequate state and local funding has resulted in more than two-fifths of major locally and state-maintained roads and highways in Wisconsin having pavement surfaces in mediocre to poor condition, providing a rough ride and costing motorists in the form of additional vehicle operating costs.

- The pavement data in this report, which is for all arterial and collector roads and highways, is provided by the Federal Highway Administration, based on data submitted annually by the Wisconsin Department of Transportation (WisDOT) on the condition of major state and locally maintained roads and highways in the state.
- Pavement data for Interstate highways and other principal arterials is collected for all system mileage, whereas pavement data for minor arterial and all collector roads and highways is based on sampling portions of roadways as prescribed by FHWA to insure that the data collected is adequate to provide an accurate assessment of pavement conditions on these roads and highways.
- Statewide, 42 percent of Wisconsin's major locally and state-maintained roads and highways are in mediocre to poor condition, while 39 percent are in fair condition and 19 percent are in good to excellent condition.
- Roads rated in mediocre to poor condition may show signs of deterioration, including rutting, cracks and potholes. In some cases, these roads can be resurfaced, but often are too deteriorated and must be reconstructed.
- The chart below details pavement conditions on major locally and state-maintained urban roads in the Madison and Milwaukee urban areas:

Location	Mediocre to Poor	Fair	Good to Excellent
Madison	68%	25%	7%
Milwaukee	56%	30%	14%

- Driving on rough roads costs Wisconsin motorists a total of \$3.2 billion annually in extra vehicle operating costs. The average driver in the Madison urban area loses \$974 annually, while in the Milwaukee urban area the average driver loses \$861 each year as a result of driving on deteriorated roads. Costs include accelerated vehicle depreciation, additional repair costs, and increased fuel consumption and tire wear.

WISCONSIN BRIDGE CONDITIONS

Fourteen percent of locally and state-maintained bridges in Wisconsin show significant deterioration or do not meet current design standards often because of narrow lanes, inadequate clearances or poor alignment. This includes all bridges that are 20 feet or more in length.

- Nine percent of Wisconsin's bridges are structurally deficient. A bridge is structurally deficient if there is significant deterioration of the bridge deck, supports or other major components. Structurally deficient bridges are often posted for lower weight or closed to traffic, restricting or redirecting large vehicles, including commercial trucks and emergency services vehicles.
- Five percent of Wisconsin's bridges are functionally obsolete. Bridges that are functionally obsolete no longer meet current highway design standards, often because of narrow lanes, inadequate clearances or poor alignment.
- The chart below details bridge conditions statewide and in the Madison and Milwaukee urban areas:

	Structurally Deficient Number	Structurally Deficient Percentage	Functionally Obsolete Number	Functionally Obsolete Percentage	Total Bridges
Madison (Dane Co.)	50	9%	52	9%	556
Milwaukee (Milwaukee Co.)	54	6%	213	24%	870
Wisconsin	1,270	9%	736	5%	14,085

HIGHWAY SAFETY AND FATALITY RATES IN WISCONSIN

Improving safety features on Wisconsin's roads and highways would likely result in a decrease in the state's traffic fatalities and serious crashes. It is estimated that roadway features are likely a contributing factor in approximately one-third of all fatal and serious traffic crashes.

- A total of 2,743 people were killed in Wisconsin traffic crashes from 2011 to 2015.
- The number of traffic fatalities in Wisconsin increased by approximately 13 percent between 2014 and 2015, increasing by 62 deaths from 494 to 556.
- Wisconsin's overall traffic fatality rate of 0.84 fatalities per 100 million vehicle miles of travel in 2014 was lower than the national average of 1.08.
- The fatality rate on Wisconsin's non-interstate rural roads in 2014 was more than double that on all other roads in the state (1.24 fatalities per 100 million vehicle miles of travel vs. 0.54).
- The chart below details the average number of fatalities from 2012 to 2014 in the Madison and Milwaukee areas, and the average cost per driver as a result of traffic crashes.

Location	Ave. Fatalities	Safety Cost
Madison	32	\$187
Milwaukee	57	\$212

- Roadway features that impact safety include the number of lanes, lane widths, lighting, lane markings, rumble strips, shoulders, guard rails, other shielding devices, median barriers and intersection design. The cost of serious crashes includes lost productivity, lost earnings, medical costs and emergency services.
- Several factors are associated with vehicle crashes that result in fatalities, including driver behavior, vehicle characteristics and roadway features. TRIP estimates that roadway features are likely a contributing factor in approximately one-third of fatal traffic crashes.
- Where appropriate, highway improvements can reduce traffic fatalities and crashes while improving traffic flow to help relieve congestion. Such improvements include removing or shielding obstacles; adding or improving medians; improved lighting; adding rumble strips, wider lanes, wider and paved shoulders; upgrading roads from two lanes to four lanes; and better road markings and traffic signals.
- Investments in rural traffic safety have been found to result in significant reductions in serious traffic crashes. A 2012 report by the Texas Transportation Institute (TTI) found that improvements completed recently by the Texas Department of Transportation that widened lanes, improved shoulders and made other safety improvements on 1,159 miles of rural state roadways resulted in 133 fewer fatalities on these roads in the first three years after the improvements were completed (as compared to the three years prior). TTI estimates that the improvements on these roads are likely to save 880 lives over the next 20 years.

WISCONSIN TRAFFIC CONGESTION

Increasing levels of traffic congestion cause significant delays in Wisconsin, particularly in its larger urban areas, choking commuting and commerce. Traffic congestion robs commuters of time and money and imposes increased costs on businesses, shippers and manufacturers, which are often passed along to the consumer.

- Based on Texas Transportation Institute (TTI) estimates, the value of lost time and wasted fuel in Wisconsin is approximately \$1.7 billion per year.
- According to TTI, the average driver in the Madison urban area loses \$911 each year in the cost of lost time and wasted fuel as a result of traffic congestion. The average Madison commuter wastes 36 hours each year stuck in traffic.
- According to TTI, the average driver in the Milwaukee urban area loses \$987 each year in the cost of lost time and wasted fuel as a result of traffic congestion. The average Milwaukee commuter wastes 38 hours each year stuck in traffic.

- Increasing levels of congestion add significant costs to consumers, transportation companies, manufacturers, distributors and wholesalers and can reduce the attractiveness of a location to a company when considering expansion or where to locate a new facility. Congestion costs can also increase overall operating costs for trucking and shipping companies, leading to revenue losses, lower pay for drivers and employees, and higher consumer costs.

TRANSPORTATION FUNDING IN WISCONSIN

Investment in Wisconsin's roads, highways and bridges is funded by local, state and federal governments. The recently approved five-year federal surface transportation program includes modest funding increases and provides states with greater funding certainty, but falls far short of providing the level of funding needed to meet the nation's highway and transit needs. The bill does not include a long-term and sustainable revenue source.

- A recent analysis by WisDOT found that the average Wisconsin motorists pays \$274 annually in state and local registration-related fees and gas taxes, a level ranked 33rd nationally among states.
- Signed into law in December 2015, the Fixing America's Surface Transportation Act (FAST Act), provides modest increases in federal highway and transit spending, allows states greater long-term funding certainty and streamlines the federal project approval process. But the FAST Act does not provide adequate funding to meet the nation's need for highway and transit improvements and does not include a long-term and sustainable funding source.
- The five-year, \$305 billion FAST Act will provide approximately a 15 percent boost in highway funding and an 18 percent boost in transit funding over the duration of the program, which expires in 2020.
- In addition to federal motor fuel tax revenues, the FAST Act will also be funded by \$70 billion in U.S. general funds, which will rely on offsets from several unrelated federal programs including the Strategic Petroleum Reserve, the Federal Reserve and U.S. Customs.
- According to the 2015 AASHTO Transportation Bottom Line Report, a significant boost in investment in the nation's roads, highways, bridges and public transit systems is needed to improve their condition and to meet the nation's transportation needs.
- AASHTO's report found that based on an annual one percent increase in VMT annual investment in the nation's roads, highways and bridges needs to increase 36 percent, from \$88 billion to \$120 billion, to improve conditions and meet the nation's mobility needs, based on an annual one percent rate of vehicle travel growth. Investment in the nation's public transit system needs to increase from \$17 billion to \$43 billion.

- The Bottom Line Report found that if the national rate of vehicle travel increased by 1.4 percent per year, the needed annual investment in the nation's roads, highways and bridges would need to increase by 64 percent to \$144 billion. If vehicle travel grows by 1.6 percent annually the needed annual investment in the nation's roads, highways and bridges would need to increase by 77 percent to \$156 billion.

TRANSPORTATION AND ECONOMIC GROWTH IN WISCONSIN

The efficiency of Wisconsin's transportation system, particularly its highways, is critical to the health of the state's economy. Businesses rely on an efficient and dependable transportation system to move products and services. A key component in business efficiency and success is the level and ease of access to customers, markets, materials and workers.

- 1,393,428 full-time jobs in Wisconsin in key industries like tourism, retail sales, agriculture and manufacturing are completely dependent on the state's transportation infrastructure network. These workers earn \$54.8 billion in wages and contribute an estimated \$10 billion in state and local income, corporate and unemployment insurance taxes and the federal payroll tax.
- Annually, \$264 billion in goods are shipped from sites in Wisconsin and another \$236 billion in goods are shipped to sites in Wisconsin, mostly by truck.
- Eighty-two percent of the goods shipped annually from sites in Wisconsin are carried by trucks and another 14 percent are carried by courier services or multiple mode deliveries, which include trucking.
- Increasingly, companies are looking at the quality of a region's transportation system when deciding where to re-locate or expand. Regions with congested or poorly maintained roads may see businesses relocate to areas with a smoother, more efficient and more modern transportation system.
- Highway accessibility was ranked the number two site selection factor behind only the availability of skilled labor in a 2015 survey of corporate executives by Area Development Magazine.
- The Federal Highway Administration estimates that each dollar spent on road, highway and bridge improvements results in an average benefit of \$5.20 in the form of reduced vehicle maintenance costs, reduced delays, reduced fuel consumption, improved safety, reduced road and bridge maintenance costs and reduced emissions as a result of improved traffic flow.

Sources of information for this report include the Wisconsin Department of Transportation (WisDOT), the Federal Highway Administration (FHWA), the American Association of State Highway and Transportation Officials (AASHTO), the Bureau of Transportation Statistics (BTS), the U.S. Census Bureau, the Texas Transportation Institute (TTI) and the National Highway Traffic Safety Administration (NHTSA).

Introduction

Wisconsin's roads, highways and bridges form vital transportation links for the state's residents, visitors and businesses, providing daily access to homes, jobs, shopping, natural resources and recreation. Modernizing Wisconsin's transportation system is critical to quality of life and economic competitiveness in the Badger State.

Supporting quality of life and a robust economy in Wisconsin requires that the state provide a safe, efficient and well-maintained transportation system. Inadequate transportation investment, which will result in deteriorated transportation facilities and diminished access, will negatively affect economic competitiveness and quality of life in Wisconsin.

To accommodate population and economic growth, maintain its level of economic competitiveness and achieve further economic growth, Wisconsin will need to maintain and modernize its roads, highways and bridges by improving the physical condition of its transportation network and enhancing the system's ability to provide efficient, reliable and safe mobility for residents, visitors and businesses. Making needed improvements to Wisconsin's roads, highways, bridges and transit systems could also provide a significant boost to the state's economy by creating jobs in the short term and stimulating long-term economic growth as a result of enhanced mobility and access.

This report examines the condition, use and safety of Wisconsin's roads, highways and bridges, funding needs, and the future mobility needs of the state. Sources of information for this report include the Wisconsin Department of Transportation (WisDOT), the Federal Highway Administration (FHWA), the American Association of State Highway and Transportation Officials (AASHTO), the Bureau of Transportation Statistics (BTS), the U.S. Census Bureau, the

Texas Transportation Institute (TTI), and the National Highway Traffic Safety Administration (NHTSA).

Population, Travel and Economic Trends in Wisconsin

Wisconsin residents and businesses require a high level of personal and commercial mobility. Population increases and economic growth in the state have resulted in an increase in the demand for mobility as well as an increase in vehicle miles of travel (VMT). To foster quality of life and spur continued economic growth in Wisconsin, it will be critical that the state provide a safe and modern transportation system that can accommodate future growth in population, tourism, business, recreation and vehicle travel.

Wisconsin's population grew to approximately 5.8 million residents in 2015, an eight percent increase since 2000.¹ Wisconsin had 4.2 million licensed drivers in 2014.²

From 2000 to 2014, annual VMT in Wisconsin increased by five percent, from 57.3 billion miles traveled annually to 60.1 billion miles traveled annually.³

In 2015, vehicle miles of travel in Wisconsin were 4.2 percent higher than in 2014.⁴ U.S. vehicle miles of travel were 3.5 percent higher in 2015 than in 2014.⁵

Based on population and other lifestyle trends, TRIP estimates that travel on Wisconsin's roads and highways will increase by another 25 percent by 2030.⁶

From 2000 to 2014, Wisconsin's gross domestic product (GDP), a measure of the state's economic output, increased by 18 percent, when adjusted for inflation.⁷ U.S. GDP increased 24 percent during this period.⁸

Condition of Wisconsin's Roads

The life cycle of Wisconsin's roads is greatly affected by the state and local governments' ability to perform timely maintenance and upgrades to ensure that road and highway surfaces last as long as possible.

The pavement data in this report, which is for all arterial and collector roads and highways, is provided by the Federal Highway Administration, based on data submitted annually by the Wisconsin Department of Transportation (WisDOT) on the condition of major state and locally maintained roads and highways. Pavement data for Interstate highways and other principal arterials is collected for all system mileage, whereas pavement data for minor arterial and all collector roads and highways is based on sampling portions of roadways as prescribed by FHWA to insure that the data collected is adequate to provide an accurate assessment of pavement conditions on these roads and highways.

Statewide, 42 percent of Wisconsin's major locally and state-maintained roads are in mediocre to poor condition while 39 percent are in fair condition, and 19 percent are in good to excellent condition.⁹

The chart below details pavement conditions on major urban roads in the Madison and Milwaukee urban areas.¹⁰

Chart 1. Pavement conditions on major roads.

Location	Mediocre to Poor	Fair	Good to Excellent
Madison	68%	25%	7%
Milwaukee	56%	30%	14%

Source: TRIP analysis of Federal Highway Administration.

Pavement failure is caused by a combination of traffic, moisture and climate. Moisture often works its way into road surfaces and the materials that form the road's foundation. Road surfaces at intersections are even more prone to deterioration because the slow-moving or standing loads occurring at these sites subject the pavement to higher levels of stress. It is critical that roads are fixed before they require major repairs because reconstructing roads costs approximately four times more than resurfacing them.¹¹ As roads and highways continue to age, they will reach a point of deterioration where routine paving and maintenance will not be adequate to keep pavement surfaces in good condition and costly reconstruction of the roadway and its underlying surfaces will become necessary.

The Costs to Motorists of Roads in Inadequate Condition

TRIP has calculated the additional cost to motorists of driving on roads in poor, mediocre or fair condition. When roads are in poor, mediocre or fair condition – which may include potholes, rutting or rough surfaces – the cost to operate and maintain a vehicle increases. These additional vehicle operating costs (VOC) include accelerated vehicle depreciation, additional vehicle repair costs, increased fuel consumption and increased tire wear. TRIP estimates that additional VOC borne by Wisconsin motorists as a result of deteriorated road conditions is \$3.2 billion annually.¹²

The chart below details per-driver vehicle operating costs in the Madison and Milwaukee urban areas and statewide.

Chart 2. Annual per-driver vehicle operating costs in the urban areas of Madison and Milwaukee due to rough roads and statewide total cost.

Location	VOC
Madison	\$974
Milwaukee	\$861
Wisconsin	\$3.2 Billion

Source: TRIP

Additional vehicle operating costs have been calculated in the Highway Development and Management Model (HDM), which is recognized by the U.S. Department of Transportation and more than 100 other countries as the definitive analysis of the impact of road conditions on vehicle operating costs. The HDM report is based on numerous studies that have measured the impact of various factors, including road conditions, on vehicle operating costs.¹³

The HDM study found that road deterioration increases ownership, repair, fuel and tire costs. The report found that deteriorated roads accelerate the pace of depreciation of vehicles and the need for repairs because the stress on the vehicle increases in proportion to the level of roughness of the pavement surface. Similarly, tire wear and fuel consumption increase as roads deteriorate since there is less efficient transfer of power to the drive train and additional friction between the road and the tires.

TRIP's additional vehicle operating cost estimate is based on taking the average number of miles driven annually by a motorist, calculating current vehicle operating costs based on AAA's 2015 vehicle operating costs and then using the HDM model to estimate the additional vehicle operating costs paid by drivers as a result of substandard roads.¹⁴ Additional research on the impact of road conditions on fuel consumption by the Texas Transportation Institute (TTI) is also factored into TRIP's vehicle operating cost methodology.

Bridge Conditions in Wisconsin

Wisconsin's bridges form key links in the state's highway system, providing communities and individuals access to employment, schools, shopping and medical facilities, and facilitating commerce and access for emergency vehicles.

Fourteen percent of Wisconsin's locally and state-maintained bridges (20 feet or longer) are currently rated as structurally deficient or functionally obsolete.

Nine percent of Wisconsin's locally and state-maintained bridges are rated as structurally deficient.¹⁵ A bridge is structurally deficient if there is significant deterioration of the bridge deck, supports or other major components. Bridges that are structurally deficient may be posted for lower weight limits or closed if their condition warrants such action. Deteriorated bridges can have a significant impact on daily life. Restrictions on vehicle weight may cause many vehicles – especially emergency vehicles, commercial trucks, school buses and farm equipment – to use alternate routes to avoid posted bridges. Redirected trips also lengthen travel time, waste fuel and reduce the efficiency of the local economy.

Five percent of Wisconsin's locally and state-maintained bridges are rated functionally obsolete.¹⁶ Bridges that are functionally obsolete no longer meet current highway design standards, often because of narrow lanes, inadequate clearances or poor alignment with the approaching roadway.

The chart below details the number and percentage of bridges in the Madison and Milwaukee urban areas and statewide that are rated structurally deficient or functionally obsolete.

Chart 3. Bridge Conditions in Wisconsin's Largest Urban Areas and Statewide.

	Structurally Deficient Number	Structurally Deficient Percentage	Functionally Obsolete Number	Functionally Obsolete Percentage	Total Bridges
Madison (Dane Co.)	50	9%	52	9%	556
Milwaukee (Milwaukee Co.)	54	6%	213	24%	870
Wisconsin	1,270	9%	736	5%	14,085

Source: National Bridge Inventory, Federal Highway Administration. 2015.

The service life of bridges can be extended by performing routine maintenance such as resurfacing decks, painting surfaces, insuring that a facility has good drainage and replacing deteriorating components. But, most bridges will eventually require more costly reconstruction or major rehabilitation to remain operable.

Traffic Safety in Wisconsin

A total of 2,743 people were killed in Wisconsin traffic crashes from 2011 to 2015. The number of traffic fatalities increased by approximately 13 percent between 2014 and 2015, increasing by 62 deaths from 494 to 556.¹⁷

Chart 4. Traffic Fatalities in Wisconsin from 2011 – 2015.

<i>Year</i>	<i>Fatalities</i>
2011	565
2012	601
2013	527
2014	494
2015	556
Total	2,743

Source: WisDOT

Three major factors are associated with fatal vehicle crashes: driver behavior, vehicle characteristics and roadway features. It is estimated that roadway features are likely a contributing factor in approximately one-third of fatal traffic crashes. Roadway features that impact safety include the number of lanes, lane widths, lighting, lane markings, rumble strips, shoulders, guard rails, other shielding devices, median barriers and intersection design.

Wisconsin's overall traffic fatality rate of 0.84 fatalities per 100 million vehicle miles of travel in 2014 is lower than the national average of 1.08.¹⁸ The traffic fatality rate on the state's rural roads is disproportionately high. The fatality rate on Wisconsin's non-interstate rural roads is more than double that on all other roads in the state (1.24 fatalities per 100 million vehicle miles of travel vs. 0.54).¹⁹

Improving safety on Wisconsin's roadways can be achieved through further improvements in vehicle safety; improvements in driver, pedestrian, and bicyclist behavior; and a variety of improvements in roadway safety features.

The severity of serious traffic crashes could be reduced through roadway improvements, where appropriate, such as adding turn lanes, removing or shielding obstacles, adding or improving medians, widening lanes, widening and paving shoulders, improving intersection layout, and providing better road markings and upgrading or installing traffic signals. Roads with poor geometry, with insufficient clear distances, without turn lanes, having inadequate shoulders for the posted speed limits, or poorly laid out intersections or interchanges, pose greater risks to motorists, pedestrians and bicyclists.

Investments in rural traffic safety have been found to result in significant reductions in serious traffic crashes. A 2012 report by TTI found that improvements completed recently by TxDOT that widened lanes, improved shoulders and made other safety improvements on 1,159

miles of rural state roadways resulted in 133 fewer fatalities on these roads in the first three years after the improvements were completed (as compared to the three years prior).²⁰ TTI estimates that the improvements on these roads are likely to save 880 lives over the next 20 years.²¹

Traffic Congestion in Wisconsin

Increasing levels of traffic congestion cause significant delays in Wisconsin, particularly in its larger urban areas, choking commuting and commerce. Traffic congestion robs commuters of time and money and imposes increased costs on businesses, shippers and manufacturers, which are often passed along to the consumer.

According to TTI estimates, the value of lost time and wasted fuel in Wisconsin is approximately \$1.7 billion per year. The chart below details the annual cost of congestion in the form of lost time and wasted fuel, and the number of hours lost to congestion by the average commuter in the state's largest urban areas.

Chart 5. Cost of congestion and hours lost annually.

Location	Hours Lost	Congestion Cost
Madison	36	\$911
Milwaukee	38	\$987

Source: Texas Transportation Institute Urban Mobility Report, 2015.

Increasing levels of congestion add significant costs to consumers, transportation companies, manufacturers, distributors and wholesalers. Increased levels of congestion can reduce the attractiveness of a location to a company when considering expansion or where to locate a new facility. Congestion costs can also increase overall operating costs for trucking and

shipping companies, leading to revenue losses, lower pay for employees, and higher consumer costs.

Transportation Funding

Investment in Wisconsin's roads, highways and bridges is funded by local, state and federal governments. A lack of sufficient funding at all levels will make it difficult to adequately maintain and improve the state's existing transportation system.

State revenue for Wisconsin's roads and bridges derive largely from several fees on motorists, including a fuel tax, a registration and licensing fees. A recent analysis by WisDOT found that the average Wisconsin motorists pays \$274 annually in state and local registration-related fees and gas taxes, a level ranked 33rd nationally among states.²²

The federal government is a critical source of funding for Wisconsin's roads, highways, bridges and transit systems and provides a significant return to Wisconsin in road and bridge funding based on the revenue generated in the state by the federal motor fuel tax.

Most federal funds for highway and transit improvements in Wisconsin are provided by federal highway user fees, largely an 18.4 cents-per-gallon tax on gasoline and a 24.4 cents-per-gallon tax on diesel fuel. Since 2008 revenue into the federal Highway Trust Fund has been inadequate to support legislatively set funding levels so Congress has transferred approximately \$53 billion in general funds and an additional \$2 billion from a related trust fund into the federal Highway Trust Fund.²³

Signed into law in December 2015, the Fixing America's Surface Transportation Act (FAST Act), provides modest increases in federal highway and transit spending. The five-year

bill also provides states with greater funding certainty and streamlines the federal project approval process. But, the FAST Act does not provide adequate funding to meet the nation's need for highway and transit improvements and does not include a long-term and sustainable funding source.

The five-year, \$305 billion FAST Act will provide approximately a 15 percent boost in highway funding and an 18 percent boost in transit funding over the duration of the program, which expires in 2020.²⁴ In addition to federal motor fuel tax revenues, the FAST Act will also be funded by \$70 billion in U.S. general funds, which will rely on offsets from several unrelated federal programs including the Strategic Petroleum Reserve, the Federal Reserve and U.S. Customs.

According to the 2015 AASHTO Transportation Bottom Line Report, a significant boost in investment in the nation's roads, highways, bridges and public transit systems is needed to improve their condition and to meet the nation's transportation needs. The AASHTO report found that based on an annual 1 percent increase in VMT that annual investment in the nation's roads, highways and bridges needs to increase by 36 percent, from \$88 billion to \$120 billion to improve conditions and meet the nation's mobility needs.²⁵ Investment in the nation's public transit system needs to increase from \$17 billion to \$43 billion.²⁶

The 2015 AASHTO Transportation Bottom Line Report found that if the rate of vehicle travel increased by 1.4 percent per year, the needed annual investment in the nation's roads, highways and bridges would need to increase by 64 percent, to \$144 billion. If vehicle travel grows by 1.6 percent annually the needed annual investment in the nation's roads, highways and bridges would need to increase by 77 percent, to \$156 billion.²⁷

Importance of Transportation to Economic Growth

Today's culture of business demands that an area have well-maintained and efficient roads, highways and bridges if it is to remain economically competitive. Global communications and the impact of free trade in North America and elsewhere have resulted in a significant increase in freight movement, making the quality of a region's transportation system a key component in a business's ability to compete locally, nationally and internationally.

Businesses have responded to improved communications and the need to cut costs with a variety of innovations including just-in-time delivery, increased small package delivery, demand-side inventory management and e-commerce. The result of these changes has been a significant improvement in logistics efficiency as firms move from a push-style distribution system, which relies on large-scale warehousing of materials, to a pull-style distribution system, which relies on smaller, more strategic movement of goods. These improvements have made mobile inventories the norm, resulting in the nation's trucks literally becoming rolling warehouses.

Highways are vitally important to continued economic development in Wisconsin, particularly to the state's manufacturing, mineral extraction and tourism industries. As the economy expands, creating more jobs and increasing consumer confidence, the demand for consumer and business products grows. In turn, manufacturers ship greater quantities of goods to market to meet this demand, a process that adds to truck traffic on the state's highways and major arterial roads.

Every year, \$264 billion in goods are shipped from sites in Wisconsin and another \$236 billion in goods are shipped to sites in Wisconsin, mostly by trucks.²⁸ Eighty-two percent of the goods shipped annually from sites in Wisconsin are carried by trucks and another 14 percent are carried by courier services or multiple-mode deliveries, which include trucking.²⁹

The cost of road and bridge improvements are more than offset by the reduction of user costs associated with driving on rough roads, the improvement in business productivity, the reduction in delays and the improvement in traffic safety. The Federal Highway Administration estimates that each dollar spent on road, highway and bridge improvements results in an average benefit of \$5.20 in the form of reduced vehicle maintenance costs, reduced delays, reduced fuel consumption, improved safety, reduced road and bridge maintenance costs and reduced emissions as a result of improved traffic flow.³⁰

Local, regional and state economic performance is improved when a region's surface transportation system is expanded or repaired. This improvement comes as a result of the initial job creation and increased employment created over the long-term because of improved access, reduced transport costs and improved safety.

A total of 1,393,428 full-time jobs in Wisconsin in key industries like tourism, retail sales, agriculture and manufacturing are completely dependent on the state's transportation infrastructure network. These workers earn \$54.8 billion in wages and contribute an estimated \$10 billion in state and local income, corporate and unemployment insurance taxes and the federal payroll tax.³¹

Increasingly, companies are looking at the quality of a region's transportation system when deciding where to re-locate or expand. Regions with congested or poorly maintained roads may see businesses relocate to areas with a smoother, more efficient and more modern transportation system. In fact, highway accessibility was ranked the number two site selection factor behind only the availability of skilled labor in a 2015 survey of corporate executives by Area Development Magazine.³²

Conclusion

As Wisconsin works to build and enhance a thriving, growing and dynamic state, it will be critical that it is able to address the state's most significant transportation issues by providing a 21st century network of roads, highways, bridges and transit that can accommodate the mobility demands of a modern society.

Wisconsin will need to modernize its surface transportation system by improving the physical condition of its transportation network and enhancing the system's ability to provide efficient, safe and reliable mobility for residents, visitors and businesses. Making needed improvements to the state's roads, highways, bridges and transit systems could provide a significant boost to the economy by creating jobs in the short term and stimulating long-term economic growth as a result of enhanced mobility and access.

While the modest funding increase provided by the FAST Act will be helpful, numerous projects to improve the condition and expand the capacity of Wisconsin's roads, highways, bridges and transit systems will not be able to proceed without a substantial boost in state or local transportation funding. If Wisconsin is unable to complete needed transportation projects it will hamper the state's ability to improve the condition and efficiency of its transportation system or enhance economic development opportunities and quality of life.

###

Endnotes

-
- ¹ U.S. Census Bureau (2016).
- ² Highway Statistics (2014). Federal Highway Administration. DL-1C
- ³ U.S. Department of Transportation - Federal Highway Administration: Highway Statistics 2000 and 2014.
- ⁴ TRIP analysis of Federal Highway Administration's monthly Traffic Volume Trends (2016) Federal Highway Administration.
- ⁵ *Ibid.*
- ⁶ TRIP calculation based on U.S. Census and Federal Highway Administration data.
- ⁷ TRIP analysis of Bureau of Economic Analysis data.
- ⁸ *Ibid.*
- ⁹ Federal Highway Administration (2016). Pavement condition data is for 2014.
- ¹⁰ Federal Highway Administration (2016). Pavement condition data is for 2014.
- ¹¹ Selecting a Preventative Maintenance Treatment for Flexible Pavements. R. Hicks, J. Moulthrop. Transportation Research Board. 1999. Figure 1.
- ¹² TRIP calculation
- ¹³ Highway Development and Management: Volume Seven. Modeling Road User and Environmental Effects in HDM-4. Bennett, C. and Greenwood, I. 2000.
- ¹⁴ Your Driving Costs. American Automobile Association. 2015.
- ¹⁵ Federal Highway Administration National Bridge Inventory, 2015.
- ¹⁶ *Ibid.*
- ¹⁷ WisDOT (2016). State Traffic Deaths Increased by Nearly 13 Percent in 2015. <http://wisconsin.gov/Pages/about-wisdot/newsroom/news-rel/001a-co-dsp.aspx>
- ¹⁸ TRIP analysis of National Highway Traffic Safety Administration and Federal Highway Administration data (2015).
- ¹⁹ *Ibid.*
- ²⁰ Adding Highway Shoulders, Width, Reduce Crash Numbers and Save Lives (August 9, 2012). Texas Transportation Institute.
- ²¹ *Ibid.*
- ²² WisDOT (2015). Transportation Finance Issues. How do Wisconsin's taxes and fees compare to other states.
- ²³ "Surface Transportation Reauthorization and the Solvency of the Highway Trust Fund," presentation by Jim Tymon, American Association of State Highway and Transportation Officials (2014).
- ²⁴ 2015 "Fixing America's Surface Transportation Act." (2015) American Road and Transportation Builders Association. <http://www.artba.org/newsline/wp-content/uploads/2015/12/ANALYSIS-FINAL.pdf>
- ²⁵ 2015 AASHTO Bottom Line Report (2014) AASHTO. P. 2.
- ²⁶ *Ibid.*
- ²⁷ *Ibid.*
- ²⁸ Bureau of Transportation Statistics (2010), U.S. Department of Transportation. 2007 Commodity Flow Survey, State Summaries. http://www.bts.gov/publications/commodity_flow_survey/2007/states/
- ²⁹ *Ibid.*
- ³⁰ FHWA estimate based on its analysis of 2006 data. For more information on FHWA's cost-benefit analysis of highway investment, see the 2008 Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance.
- ³¹ The American Road and Transportation Builders Association. (2015) Wisconsin Transportation Facts – Economic Impacts. <http://www.transportationcreatesjobs.org/>

³² Area Development Magazine (2016). 30th Annual Survey of Corporate Executives: Availability of Skilled Labor New Top Priority. <http://www.areadevelopment.com/Corporate-Consultants-Survey-Results/Q1-2016/corporate-executive-site-selection-facility-plans-441729.shtml>

Why Shade Streets?

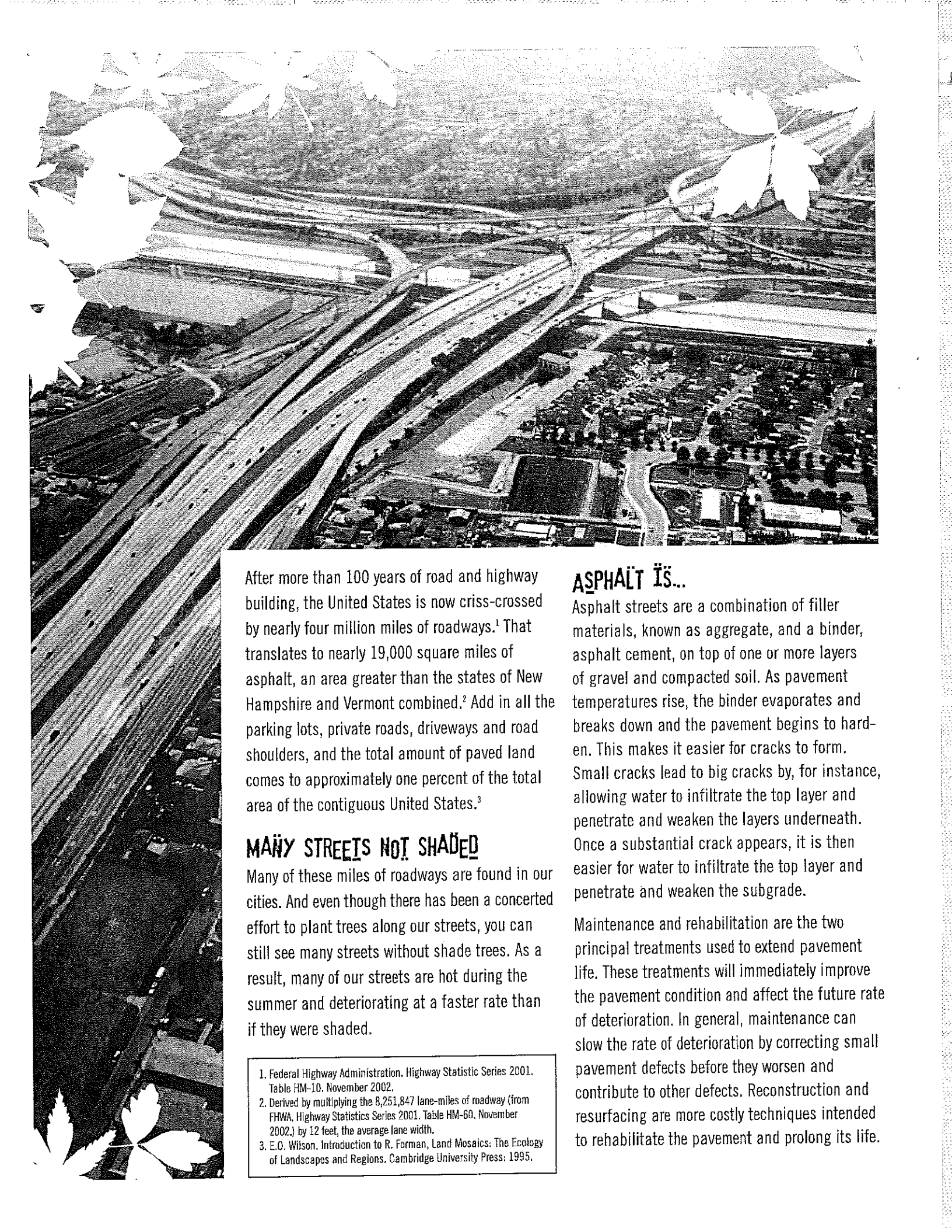
THE UNEXPECTED BENEFIT

SHADED STREETS = HAPPY STREETS

Have you ever walked across an asphalt street on a hot summer day and felt the heat singe the bottom of your shoes? Streets can get as hot as 130°F. But what you may not know is that the same heat that just singed your feet is also accelerating the street's deterioration. Is tree shade the answer to cooler asphalt? Yes, but does it also affect asphalt longevity? Find out...



Center for
Urban Forest Research



After more than 100 years of road and highway building, the United States is now criss-crossed by nearly four million miles of roadways.¹ That translates to nearly 19,000 square miles of asphalt, an area greater than the states of New Hampshire and Vermont combined.² Add in all the parking lots, private roads, driveways and road shoulders, and the total amount of paved land comes to approximately one percent of the total area of the contiguous United States.³

MANŶ STREETS NOT SHADED

Many of these miles of roadways are found in our cities. And even though there has been a concerted effort to plant trees along our streets, you can still see many streets without shade trees. As a result, many of our streets are hot during the summer and deteriorating at a faster rate than if they were shaded.

ASPHALT İS...

Asphalt streets are a combination of filler materials, known as aggregate, and a binder, asphalt cement, on top of one or more layers of gravel and compacted soil. As pavement temperatures rise, the binder evaporates and breaks down and the pavement begins to harden. This makes it easier for cracks to form. Small cracks lead to big cracks by, for instance, allowing water to infiltrate the top layer and penetrate and weaken the layers underneath. Once a substantial crack appears, it is then easier for water to infiltrate the top layer and penetrate and weaken the subgrade.

Maintenance and rehabilitation are the two principal treatments used to extend pavement life. These treatments will immediately improve the pavement condition and affect the future rate of deterioration. In general, maintenance can slow the rate of deterioration by correcting small pavement defects before they worsen and contribute to other defects. Reconstruction and resurfacing are more costly techniques intended to rehabilitate the pavement and prolong its life.

1. Federal Highway Administration. Highway Statistic Series 2001. Table HM-10. November 2002.

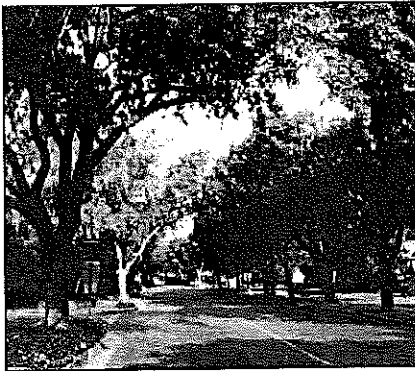
2. Derived by multiplying the 8,251,847 lane-miles of roadway (from FHWA. Highway Statistics Series 2001. Table HM-60. November 2002.) by 12 feet, the average lane width.

3. E.O. Wilson. Introduction to R. Forman, *Land Mosaics: The Ecology of Landscapes and Regions*. Cambridge University Press: 1995.

THE RESEARCH QUESTION:

Is there an inexpensive way to slow the rate of deterioration of streets and extend the time between treatments? We thought there was, so we asked the question: Is the condition of pavement on tree-shaded streets better than on unshaded streets – all other things being equal? And...the answer is YES.

During our research in Modesto, CA, we found that an unshaded street segment required 6 slurry seals over 30 years, while an identical one planted with small-crowning trees required 5 slurry seals, and one with large-crowning trees required only 2.5 slurry seals. We also found that the shade from the large-crowning trees was projected to save \$0.66/ft² over the 30-year period compared to the unshaded street.



The benefits of shade from large-stature trees compared to small-stature trees illustrate the value of investing in large-stature trees.



As pavement conditions deteriorate, maintenance and repair costs become increasingly more time intensive and costly.



More shade means more time between repaving. 20% shade on a street improves pavement condition by 11%, which is a 60% savings for resurfacing over 30 years.

SHADED ASPHALT IS CHEAPER ON THE BUDGET

Assuming slurry seal applications cost \$0.19/ft², and this price remains fixed over a 30-year period, each application will cost \$829 per street segment. A typical segment was 125 ft. by 35 ft. We found that the cost of maintaining the unshaded street segment over 30 years was \$4,971, while the cost of maintaining the pavement on the street segment with small-stature trees was \$4,142, and on the street segment with large-stature trees was only \$2,071. Thus, shade on the street segment with large-stature trees will reduce costs for repaving by \$2,900 (58%) over the 30-year period compared to the unshaded street. Shade from the small-stature trees is projected to save only \$829 (17%).

Road engineers have long recognized the economic importance of maintaining optimum levels of pavement condition. For example, in Modesto the average lifespan of a shaded residential street is 40 years. Pavements that are well maintained last longer and ultimately require less maintenance. In addition, as pavement conditions deteriorate, maintenance and repair costs become increasingly more expensive.

It was evident from our results in Modesto that greater tree shade was associated with better pavement condition. **Shady streets are happier streets.**

SCENARIO	SLURRY SEALS	TOTAL COST (\$)	SAVINGS (\$)
Unshaded	6	4,971	
Small trees	5	4,142	829
Large trees	2.5	2,071	2,900

Table 1: Savings per unit pavement surface for shaded vs. unshaded street segments over 30 years (area = 4,375 ft²).

Our Research Document

Effects of Street Tree Shade on Asphalt Concrete Pavement Performance

<http://www.fs.fed.us/psw/programs/cufr/products/cufr639mcperson-JOA-pavingshade.pdf>

Additional Resources

Trees for Green Streets

<http://www.metro-region.org/article.cfm?articleid=263>

Reducing Infrastructure Damage by Tree Roots – A Compendium of Strategies

<http://secure.isa-arbor.com/store/Diagnosis-Disorders-and-Plant-Health-Care-C19.aspx>

SelecTree: A tree selection guide

<http://selecttree.calpoly.edu/>

Limitations of This Research

Application of our research results outside California's Central Valley are to be considered limited, due to differences in pavement types, pavement wear, and regional climates.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply in all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiocaps, etc.) should contact USDA TARGET Center at (202)720-2800 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800)795-3272 (voice) or (202)720-6381 (TDD). USDA is an equal opportunity provider and employer.

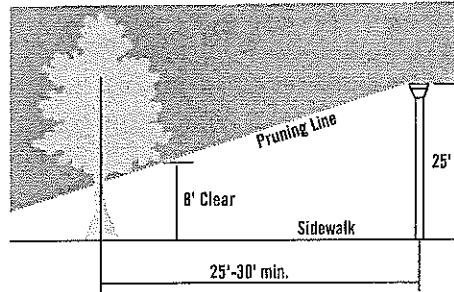


Center for Urban Forest Research
Pacific Southwest Research Station,
USDA Forest Service, MS-6
1 Shields Avenue, Suite 1103
Davis, CA 95616-8587
(530) 752-7636 • Fax (530) 752-6634
<http://www.fs.fed.us/psw/programs/cufr/>



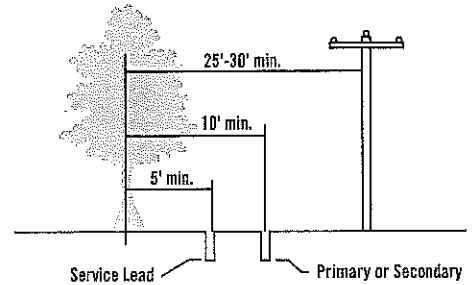
HOW TO FIT TREES ON STREETS

- Start by establishing very clear goals for your street trees including shade and other functions, longevity, stress tolerance, rainfall interception, air pollution uptake, level of maintenance, and infrastructure conflicts.
- Increase your community-wide tree canopy by targeting shade for streets, as well as parking lots, and other paved surfaces.
- Large trees can shade a greater area than smaller trees can but should be used only where space permits. Remember that a tree needs space for both branches and roots.
- Avoid locating trees where they will block illumination from streetlights or views of street signs in parking lots, commercial areas, and along streets.
- Check with local transportation officials for sight visibility requirements. Keep trees at least 30 ft away from street intersections to ensure visibility.

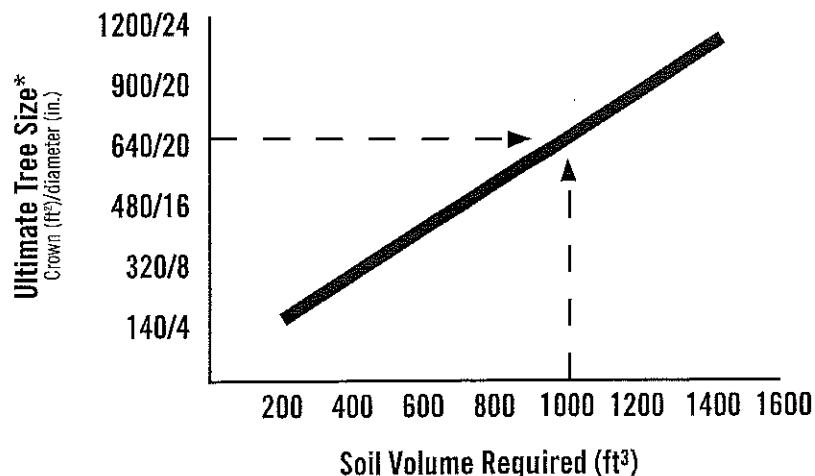


- Avoid planting shallow-rooting species near sidewalks, curbs, and paving. Tree roots can heave pavement if planted too close to sidewalks and patios. Generally, avoid planting within 3 ft of pavement.

- Be aware of strategies to reduce infrastructure damage by tree roots such as meandering walks around trees and selecting deep-rooting species. (Costello and Jones 2003).



- Select only small trees (<25 ft tall) for location under overhead power lines. Do not plant directly above underground water and sewer lines.
- Match each tree to the site. Maintenance requirements and public safety issues influence the type of trees selected for public places. The ideal public tree is not susceptible to wind damage and branch drop, does not require frequent pruning, produces negligible litter, is deep-rooted, has few serious pest and disease problems, and tolerates a wide range of soil conditions, irrigation regimes, and air pollutants (SelecTree).
- Provide adequate soil volume. For trees to deliver benefits over the long term, they require enough soil volume to grow and remain healthy. Matching tree species to the site's soil volume can reduce sidewalk and curb damage as well.



*The ultimate tree size is defined by the projected size of the crown and the diameter of the tree at breast height.



To: Representative Keith Ripp, Chair
Members, Assembly Committee on Transportation

From: Badger State Sheriff's Association
Wisconsin Chiefs of Police Association
Wisconsin Sheriffs and Deputy Sheriffs Association

Date: December 6, 2016

Re: **Front License Plates Solve Crimes and Save Lives**

Our law enforcement associations are opposed to allowing vehicles to only have one license plate. Front license plates assist law enforcement to quickly identify vehicles in emergency situations and track down criminals. Without a front license plate, law enforcement and citizens lose a critical tool for working together to ensure public safety.

The Wisconsin Department of Transportation (WisDOT) included an option to eliminate the front license plate in their alternative five percent budget submission. This shortsighted option generates less than \$2.5 million in annual savings at the risk of public safety and monetary losses. For example, nationwide there is an estimated \$7.5 billion in annual monetary losses from motor vehicles thefts. A front plate significantly increases the chances of these vehicles being identified.

Countless crimes have been solved thanks to a front plate on a car. Our organizations have collected numerous examples to demonstrate how front license plates solve a variety of crimes from across the state – including murder, sexual assault, hit-in-run, OWI, drug trafficking, carjacking and driving with a revoked/suspended license.

In addition, a growing body of statistical evidence supports the importance of license plates in protecting public safety. In August 2012, the Texas A&M Transportation Institute conducted a study concluding dual rather than single license plates increased the opportunity for law enforcement officials to correctly identify vehicles. Per the report, field studies showed a 97 percent read rate for parked vehicles in two plate states and 76 percent in one plate states.

States that consider this option quickly find that the public safety benefit, greatly outweigh the minor savings. In 2013, Ohio established a License Plate Safety Task Force and recommended the state maintain current law requiring two license plates. After hearing testimony overwhelmingly supporting two license plates, the Task Force recommended that “readable front and rear plates assist law enforcement officials from apprehending criminals and can indeed prevent crimes before they occur.”

As the Assembly Committee on Transportation considers all savings options in the WisDOT budget, we appeal that you not consider this alternative any further. License plates are a simple safety and law enforcement tool, allowing for faster vehicle identification and criminal apprehension.

Below we have included several recent examples to further demonstrate that **front license plates solve crimes**.

EXAMPLES FROM LAW ENFORCEMENT IN WISCONSIN

FOND DU LAC, SEPTEMBER 2016, ASSAULT.

A male assaulted his girlfriend and fled the scene in a vehicle. The license plate was dispatched out. As the vehicle drove past me, I could read the front license plate. The front plate allowed me to positively identify that car as the fleeing domestic suspect and stop the perpetrator.

FOND DU LAC, DRUNK DRIVER.

I received a report of an intoxicated driver who tried to ram the complainant. The complainant provided the suspect's license plate and direction of travel. As the vehicle passed me, I could read the front license plate to confirm that was the suspect vehicle. The driver was arrested for OWI and cited for DCMV. In this case, the front plate helped immensely to identify the suspect vehicle when it was dark and hard to discern the exact vehicle model during other traffic. Front plates are reflective and easier to read while driving past.

KAUKAUNA, 2016. HIT AND RUN.

In this case, a hit and run led to damage of public property. The striking vehicle left the roadway and damaged property, then left the other side of the roadway, striking a snow bank. The front license plate was imprinted perfectly in the snow. The case was later closed with a suspected drunk driver.

LACROSSE, MAY 28, 2016. BANK ROBBERY.

In this bank robbery, the case would not have been solved without front plates. We got a front plate from a video, but no rear plate. The vehicle backed into a parking stall and left a different direction so it did not pass the camera that would have picked up a front plate.

MILWAUKEE, APRIL 2015. HIT AND RUN INJURING A DETECTIVE.

Milwaukee Police could charge and convict someone for a felony hit and run for injuring an on-duty Waukesha County Sheriff's detective last year because he left behind his front bumper containing the plate.

NEW BERLIN, JUNE 30, 2016. STOLEN VEHICLE.

Police noticed the front plate of an approaching car that appeared to have spray paint on it. The vehicle was subsequently identified as a stolen vehicle and was returned to the owner.

WAUKESHA. ARMED ROBBERY.

Approximately two years ago, we responded to an armed robbery at a trampoline park for children in the City of Pewaukee and a suspect vehicle was identified by a responding squad equipped with an ALPR through a front license plate read. This ultimately led to the arrest of a gang related armed robbery group that was committing violent armed robberies throughout Southeastern Wisconsin.