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### Funding faces bumpy roads

TDOT representatives explain limitations, hear needs during luncheon

By **DON JACOBS**, [jacobs@knews.com](mailto:jacobs@knews.com)  
January 27, 2007

So, what's it going to be, fewer roads or higher state fuel taxes?

Or maybe a toll road or two would be easier to swallow.

Perhaps a corporate-owned road would be more palatable.

Those are some of the options facing state officials as they watch federal transportation funds dwindle and gas tax collections plateau.

"We are facing in this country, and certainly in Tennessee, a transportation funding crisis," said Ed Cole, chief of environment and planning with the Tennessee Department of Transportation.

"This is not meant to be gloomy, but we have to be realistic working with our state and federal partners."

Cole's statements were aimed at 62 local government representatives, transportation officials and area state elected officials gathered Friday at Fox Den Country Club. The group was assembled for the annual Knoxville Regional Transportation Planning Organization legislative luncheon.

The luncheon allows local government officials to relay their transportation priorities to state representatives and senators, with TDOT authorities helping explain what is attainable. The Knoxville Regional Transportation Planning Organization represents Knox County and portions of Blount, Sevier and Loudon counties.

Cole said three factors are hindering this year's budget and leaving future years in limbo.

First, he said, the federal government opted to take back \$80 million in fuel tax collections it had proposed to help Tennessee's transportation budget for 2007.

"That's \$80 million that we thought we had that we don't have," Cole said.

Second, Congress has failed to pass a comprehensive transportation funding bill, Cole said. Congress instead has been renewing a continuing resolution to at least keep money flowing to the states. That move, however, could leave Tennessee another \$40 million short this year in shared federal fuel tax collections.

Atop that potential \$120 million shortfall is an 11 to 12 percent hike in construction and fuel costs for building and maintaining Tennessee roads, Cole said. TDOT normally assumes a 3 to 5 percent inflation rate for those costs, but those financial assumptions have been blown apart by China cornering the steel market and \$3-a-gallon gas last year.

And state gas tax collections, which yield \$651 million a year, have leveled off in recent years.

"Vehicles are becoming more fuel efficient, which is a good thing," Cole said. "But our funding is tied to that."

Tennessee levies a 21.4 cents-per-gallon tax on gasoline. Of that, 7.9 cents goes to cities and counties, 0.8 cents goes to the state general fund and 12.7 cents is sent to TDOT. With the addition of federal funding and other revenue, TDOT's budget this year is \$1.74 billion.

Nationwide, the state gas tax averages 28.4 cents a gallon, according to API, a gas and oil industry Web site.

Cole said TDOT is reviewing several options to offset rising costs and decreasing revenues, including toll roads and leaving road building to the private sector.

And while new roads face funding issues, existing asphalt is being neglected, said Paul Degges, chief engineer for TDOT.

Degges said the state has 31,000 lane miles of roads, and 2,600 lane miles should be resurfaced annually for good maintenance. Last year, however, Degges said TDOT repaved 1,600 lane miles.

Maintenance schedules call for repaving 400 lane miles each year of interstates statewide, Degges said. But last year, TDOT could afford to resurface 175 lane miles of interstate roads.

But the bill will come due on those maintenance lapses, Degges said, with higher repaving costs later. Workers will have to dig down deeper into degraded asphalt to successfully resurface a road, he said.

"If it's a choice between new roads or maintaining roads, we lean toward the existing roads," Cole said.

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