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## **MY TURN -- *Straight talk on roads and bridges***

by Jeb Spaulding, Vermont State Treasurer

It is past time for some straight talk on the condition of bridges in Vermont and the alternatives available to address what all parties agree is a serious problem. Vermonters own our bridges and will save money by fixing them sooner rather than later. Further, a beefed-up effort ASAP to fund bridge rehabilitation will provide jobs and economic stimulus. Deadlock, without significant action, is the worst option. Policymakers should come to the table with an open mind, review the pros and cons of the various avenues to fund necessary bridge work, and be prepared to compromise.

Vermont is currently ranked 42<sup>nd</sup> in the nation on bridge conditions. The number of substandard bridges is increasing. Vermont needs to spend somewhere between \$50 and \$110 million more annually to catch up on repairs to deteriorating bridges. Outside financial experts have stated unequivocally that we will not catch up relying on the existing revenue stream and that we should not borrow (bond) without concomitant additional revenues to pay for the borrowing.

After reviewing the alternatives, my suggestion is a \$150-\$180 million bridge rehabilitation and replacement bonding program, funded by a five-cents-per-gallon assessment on motor fuel distributors. Revenues from the assessment would be deposited in a restricted fund only for bridge rehabilitation and replacement. The advantages of this approach are reduced costs to taxpayers over the long run, putting people to work in the short run, administrative simplicity, and contributions from tourists, and out-of-state truckers and college students.

Keep in mind, Vermont's tax on gas was last adjusted in 1997. It's a gallonage tax – the State collects the same amount per gallon no matter the price is. As people drive less and switch to more fuel efficient cars, we collect less and less. Further, the purchasing power in 1997 dollars of the 20-cents on gas is only 15 cents now. Add to that, revenues from the purchase and use tax are in freefall, as people hold on to their cars and buy less expensive replacements. Obviously, the current revenue side of the equation is bleak.

Some believe the solution lies in reallocation of transportation related taxes, currently going to the General or Education Funds, to the Transportation Fund. I agree it would be a good idea to have a bright line with all revenues raised from transportation-type activities dedicated to the Transportation Fund, and believe we should work toward this goal. However, given that the General Fund is under severe pressure and given the flat rejection by the legislature the last time reallocating the two cents of the purchase and use tax going to the Education Fund was proposed, I really doubt we can expect more than a token reallocation in the near term.

Some seem to be comfortable regularly increasing fees on everything related to motor vehicles. Basic registration fees were increased 17% in 2002 and 20% in 2005. And, now, according to press accounts, the Governor's administration is looking at increasing fees by

\$12 million in 2008. But, such fee increases bear no relationship to actual usage or wear and tear on our bridges and garners no financial assistance from out-of-state motorists.

Some argue we should wait to see if Washington will send us enough new money to solve our problems. Wishing someone would show up to bail out your sinking boat, when you should be bailing yourself, delays serious discussion about how Vermont can address our failing bridges. It is highly unlikely any one-time stimulus will be sufficient to address the totality of Vermont's infrastructure deficiencies.

Think of our bridges like a home with a leaky roof. If not fixed promptly, repair will be much more costly. What would a responsible homeowner do if confronted with a leaky roof that threatens to ruin the interior of their house? First, reduce and reallocate spending to pay for the necessary repairs. If that were not enough, borrow the money and find ways to generate the income to pay off the loan, knowing that will be the cheapest way to address the situation. The State's approach to fixing our bridges should be the same.