



Georgia Ready Mixed Concrete Association Legislative Update

1/14/15

This morning, Georgia Governor Nathan Deal gave his State of the State address at the Georgia State Capitol. After some discussion on education and criminal justice policy, he ended his remarks with a lengthy discussion on transportation and infrastructure funding.

He described the prospects of funding legislation this session as a "Plan C," with Plan A being the TSPLOST and Plan B being some of the reprioritizing that has occurred at the Georgia DOT. He went on to say that if a Plan C is not passed, we would be stuck with Plan D, which is to do nothing. And in the Governor's opinion, that is something we simply cannot afford to do.

He ended by saying that finding a way to fund infrastructure ourselves would lessen our dependency on the federal government. This fits within a conservative philosophy of limited government set forth by the 10th Amendment. Governor Deal stated Georgia has already done this once during his administration by creating the means for Georgia to build its own water reservoirs. There is no reason not to do it again for transportation.

Finally, the Governor, Lieutenant Governor and Speaker of the House all gave very positive remarks regarding transportation and infrastructure at the Georgia Chamber of Commerce's Annual Eggs and Issue breakfast. All indications are that the stage is being set for a major effort on transportation funding matching what we were hearing leading up to the session.

We will keep you informed on all developments. Below is the excerpt of the Governor's address regarding transportation.

Text of Governor Deal's State of the State on Transportation

"Even a small boat conquering the sea must dock every once in a while. We must therefore ensure that our network of bridges, roads and other vital infrastructure are well maintained and that the increasing transportation needs of our population are met. So, let me present to you our options.

Since only three regions in the state invested in Plan A, a regional one-percent sales tax for designated infrastructure projects, we acted to implement Plan B, which includes reprioritized funding and a focus on the most essential projects that will target our most congested areas. For example, we are constructing new capacity express lanes along large stretches of I-75 and 575. We are also extending the managed lanes on I-85. Over the next four years, we will open to traffic more than \$1.1 billion dollars' worth of new, reliable interstate lanes in Metro Atlanta, the largest interstate expansion since the 1980s.



We are making further progress in the form of our I-285/GA-400 interchange, which will ease congestion for hundreds of thousands of travelers each day. Let us not forget those things we have already accomplished, including the removal of the tolls on GA 400 and the opening of the I-85/GA 400 connector ramps, which many in our state are already using. And of course, we continue to construct the Jimmy Deloach Parkway extension, the Fall Line Freeway and other road improvements connecting South Georgia cities.

At the same time, other important projects lack the funding necessary to proceed. This brings me to our next option. Plan C—a transportation plan to which this General Assembly and I can agree that would address the ongoing needs of maintenance and repair, as well as freight corridor and other transportation improvements. I believe this is something that can and should be accomplished.

A need does exist. The excise tax, which is a per gallon flat fee, has remained the same since 1971. That's 44 years. In that time, the fuel efficiency for the average vehicle has almost doubled, which means the amount of excise tax collected for each mile driven has roughly been cut in half. And the federal government has mandated new standards that would again double the miles per gallon for the average vehicle over the next 10 years, meaning that the amount of excise tax collected for every mile traveled will continue to shrink every year. And that doesn't even account for inflation. In 2014 dollars, we collected approximately 17 percent less in state Motor Fuel Funds per capita for transportation than we did a quarter of a century ago, in part because of greater fuel efficiency. At the same time, we now have millions more people travelling on our roads. According to industry experts, simply maintaining what we currently have on our roadways requires a minimum of hundreds of millions of dollars in new revenue each year. Some industry experts even suggest it's more than \$1 billion a year.

Over the years, we have added more highway to monitor, patrol and repair. In addition, our state has seen significantly more freight on our roadways, with more and more goods and raw materials entering through the Port of Savannah. We're already the second busiest container port on the East Coast, and we're getting busier. It's estimated that truck traffic out of the port will increase by 50 percent in less than 10 years. We have to be ready to meet that need.

Without Plan C, a new strategy for transportation investment, we will be forced to go to Plan D, which is to do nothing. If that is our plan, then our roads will slowly slip into disrepair, the safety of our citizens will be jeopardized, and our economy will be stagnated by increased congestion. That is unacceptable.

We are currently operating at a rate that requires over 50 years to resurface every state road in Georgia. If your road is paved when you graduate high school, by the time it is paved again you will be eligible for Social Security. We must increase the percentage of roads being resurfaced annually. With only current funding levels, new capital projects will have to wait



as we tend to our existing transportation network. If we do nothing, we would continue to have to depend on the federal government, whose transportation funds are also dwindling. If we should choose not to maintain and improve our infrastructure, economic development would stall, companies would be unable to conduct their business efficiently, commuters would waste more time and gas sitting in traffic, and no one would be satisfied.

For those of you who believe as I do that there are certain powers left to the states and their citizens—a principal set forth in our nation's 10th Amendment—here is one way we can put our belief into practice. If we become less dependent on federal revenue for our transportation projects in Georgia, we will avoid the regulations and extra costs associated with federal involvement; we will get more for our money in new roads; and it will be one of the best signals that the state of Georgia is willing to spend our money to solve our problems. Four years ago, we decided that our state needed to develop its own reservoirs to be less dependent on federal water resources. Maybe it's time we apply that same logic to transportation.

We must maintain and improve our roads and bridges; we must provide congestion relief; and we must prepare for more freight and more businesses. We can debate how much it will cost to do something; but let us not forget how much it will cost to do nothing.

I do not believe that we Georgians will choose to do nothing. We know the problems; let's now resolve to agree on the solutions. That's the outlook we must embrace as we tackle all of the challenges we have discussed today. The sea is indeed vast, but our ten million oars row onward. Let us as the leaders of this state demonstrate that we can row together in sequence so that our boat will move steadily forward on a chartered course of progress, with the shoreline of Promise and Prosperity on the horizon.

I pray for wisdom for all of us as we carry out the public's trust, so that we can give Georgians a state that's even better tomorrow than it is today. May God bless you and may God continue to bless the state of Georgia."