

# Transportation Infrastructure Investment Task Force



Summary of the Recommendations of the Governor's Task Force on Transportation Infrastructure Investment

[The Governor's Task Force on Transportation Infrastructure Investment](#) was created by an Executive Order from Louisiana Governor John Bel Edwards on June 7, 2016. The 18-member body included a diverse group of leaders from the public and private sector charged with researching, identifying and making specific recommendations to sufficiently maintain the existing transportation system and to finance the construction of certain megaprojects outlined by the Louisiana Statewide Transportation Plan. The Task Force membership included members of the Governor's cabinet, transportation stakeholders ranging from the trucking industry to the design and construction sector, local and state elected officials, and representatives of the business community. The report was submitted to the Governor on December 30, 2016.

Beginning in July, the Task Force held monthly public hearings at the Capitol and conducted eight regional meetings hosted by economic development and metropolitan planning organizations around the state. Experts and business and community leaders testified on transportation financing and the most effective ways to invest in infrastructure. Early on, the Task Force adopted guiding principles to be bold with the plan, dedicate all new revenue to transportation and generally adhere to the Louisiana Statewide Transportation Plan with regard to project priorities. To keep economic development as a focus of infrastructure improvements, the Task Force involved local leaders more in investment decision making, leveraged all available funding mechanisms and sought a balanced approach to allocating resources toward a variety of goals.

After six months, the final report offered a history of Louisiana's transportation system, details of the \$13.1 billion backlog in maintenance projects, and nine recommendations to leverage new revenue and offset the cost of much-needed infrastructure. Each suggestion was offered in the form of resolutions, which are summarized below:

- A. The Task Force determined an additional \$700 million in recurring revenue for infrastructure is required to fully fund the needs of the state's multimodal transportation system. The Task Force agreed that any new revenue stream should be indexed in a manner that provides gradual increases over time without creating short-term volatility. Members expressed a desire to free the state from over-dependence on one-time revenue for construction maintenance and expansion projects.
- B. The Task Force agreed to create a bondable means of financing for a statewide bridge improvement program funded by increases in special permit fees on the commercial trucking industry. Members suggested that revisions of the existing fee structure should reflect the actual impact to the transportation system rather than the type of commodities being transported.
- C. Increasing revenue through commercial trucking vehicle registration fees would provide additional funding for the proposed statewide bridge improvement program outlined in Resolution B.
- D. The Task Force recommended an increase in the sales and use tax on aviation fuel to fund capital projects through the State Airport Construction and Development Program.
- E. In the spirit of following national best practices, the Task Force recommended the state invest in transportation infrastructure through the use of categorical expenditures rather than dedicating restricted resources to the construction of specific projects.

F. The Task Force recommended indexing any new revenue for infrastructure. Members noted that since established in 1984, the state's motor fuel tax has consistently lost purchasing power due to inflation and increased cost of construction.

G. In an effort to supplement new sources of recurring revenue for the delivery of large-scale capacity projects in a timely fashion, the Task Force recommended the use of tolls as a means of financing a portion of transportation projects when applicable.

H. The Task Force recommended the public-private partnerships fund certain projects in a way that will leverage new revenue to ensure the private sector will receive a return on their investment. Although, the appropriate state laws are currently in place to allow the administration to actively pursue public-private partnerships, the Task Force recognized the need for recurring revenue to be dedicated toward the delivery of more large-scale projects.

I. The Task Force recommended exploring public infrastructure improvements through a payment in lieu of tax (PILOT) arrangement with the local governing bodies to use all or a portion of the amounts that would otherwise be paid in property tax to reimburse or pay debt on costs of the infrastructure. Members also suggested tax increment financing (TIF) as another means to fund state transportation infrastructure.

The Task Force stated that all of these recommendations should be enacted together as a package to address multimodal transportation needs of the future. The final report also notes several "lessons learned" in the meetings and studies of the past six months:

- Members recognized the extensive frustration with the condition of roads and congestion by the public across the state.
- The Task Force believes "incomplete information" has led to the public's lack of trust that resources will be spent directly on road construction and maintenance and in a timely, efficient and innovative manner.
- The final report concludes that existing processes and planning at DOTD are "sound" and the challenge and consensus is that additional revenue is the solution to provide meaningful improvements.

The Louisiana Association of Business and Industry (LABI) is made up of a diverse membership across the state. LABI has long acknowledged the critical importance of sound multi-modal infrastructure to economic growth and quality of life in Louisiana. LABI looks forward to evaluating the administration's specific proposals in the upcoming regular legislative session and remains open to a candid discussion moving forward.