



Background Memo on Virginia Transportation Funding

1. VDOT is wasting money on the wrong projects. These include:

- **Route 460:** This \$1.4 billion proposed new highway between Suffolk and Petersburg; over \$1.1 billion of taxpayer funds, plus tolls. The current Route 460 carries just 11,000 trips per day.
- **Coalfields Expressway:** \$2.8 billion for a new highway in least-trafficked area of the state.
- **Charlottesville Bypass:** This \$243 million project doesn't solve congestion and saves minimal travel time for commuters.
- **North-South Corridor:** This estimated \$1 billion piece of an Outer Beltway around D.C. doesn't address commuter needs and would add development and traffic in areas without infrastructure.

Meanwhile, the state says it will not contribute to roads for Tysons, it hasn't provided adequate funds to reduce tolls for Dulles Rail and Midtown/Downtown Tunnels, and it has zeroed out secondary road funds.

2. Eliminating taxes on gasoline is bad economics and bad transportation policy.

Here's why:

- **It cuts the sensible tie between transportation use and funding**, forcing Virginians who drive less to subsidize those who drive more, hurting seniors and low-income people, carpoolers, transit users, those who live closer to their jobs.
- By encouraging more driving and discouraging transit use, **it would add to traffic congestion** and undermine any additional investments in transportation capacity.
- **It forces Virginians to shoulder the transportation costs of out-of-state drivers**, instead of having them pay their share at the pump.

A better alternative to eliminating the gas tax is to raise additional revenues through user fees such as improving the existing gas tax structure by increasing and/or indexing the gas tax, or applying the sales tax to gasoline purchases. These measures would properly tie fees and taxes to the use of the public infrastructure and allow revenues to grow with the price of gas.

3. The sales tax should not be used for statewide transportation.

The sales tax is a key source of revenue for the state's General Fund. Use of the sales tax for statewide transportation reduces current and future revenues for education, health care, public safety, and conservation.

4. There are critical reforms and accountability measures that should be part of any bill.

They include:

- **Increase Maintenance Funding:** More money than the Governor proposes needs to be added to the Highway Maintenance and Operating Fund and to transit maintenance and operations.
- **Require Reevaluation of VDOT Mega-Projects:** Proposals for the new Route 460, Charlottesville Bypass, Coalfields Expressway and Outer Beltway must be reconsidered.

- **Reform the Public-Private Transportation Act and the closed-door deals with private toll road companies:** Require meaningful legislative oversight, active consultation and input by local and regional leaders throughout the process, and objective evaluation of alternative solutions and investments; and eliminate non-compete clauses.
- **Significantly Increase Transit & Rail; Funding Energy Efficient Transportation Solutions:** Ensure public transit, passenger and freight rail receive at least 25 percent of any new funding and dedicate significant funds to secondary/urban streets. These alternatives can reduce congestion, energy consumption, and pollution. Several provide better services for elderly, disabled, and low income citizens, with rural transit providing a critical lifeline.
- **Intercity Passenger and Freight Rail:** Provide substantial, dedicated funding to the Virginia Intercity Passenger Rail Operating and Capital fund the Assembly created in 2011.
- **Tie Transportation Spending to More Efficient Land Use:** Restore legislation requiring compact development areas in fast growing localities and secondary street connectivity