



*Jack Fish has served as President of Kentuckians for Better Transportation since 1978. A native of Pulaski County, he is a graduate of Centre College.*

*Mr. Fish is a former weekly newspaper editor and also has worked for the State Division of Industrial Promotion and the Lieutenant Governor. He also worked for the Kentucky Petroleum Council as an Associate Director.*

## FIRST CONCURRENT SESSIONS Thursday, September 16, 1993

Jack Fish, President, Kentuckians for  
Better Transportation

### HIGHWAY ECONOMIC DEVELOPMENT ENABLING PLAN FOR KENTUCKY

It is a pleasure to be here today with so many leaders from across the state who help to make our highway program one of the outstanding programs in the nation.

Kentuckians for Better Transportation (KBT) has recently recommended a long-range Strategic Highways Program. By having the plan, we believe it will help the state to move forward at a faster, steadier pace. Having public long-range goals makes it easier to get to where we need to be and to get the funds to do what needs to be done.

The Kentucky Strategic Highway Program is essentially a highway-economic development enabling plan for Kentucky. It identifies the "key Kentucky connections" that need to be maintained and improved to help existing Kentucky businesses compete in national and world markets and improves the ability of our cities and counties to compete for expanding business and industry. Communities without good access to the interstates and parkway system are not able to compete. We think it is in Kentucky's best interest to enact such a plan during the next regular session.

We have used the General Assembly Task Force plan, the KTC National Highway System submission to the FHWA, and Corridors 2010 to make recommendations for what we think is an improved plan, considering economic and social goals and best use of limited revenues. Projects would move from the long-range plan into the 6-year plan.

**The program is something that everybody who wishes to improve economic opportunity for his area can buy into.**

The Strategic Highways Program objectives are to:

1. Provide that the state's interstate highways, parkways, and other major arterial highways are maintained and expanded as needed to keep pace with traffic growth.
2. Ensure there is an adequate system of principal arterials serving interstate and intrastate needs for all parts of the state.
3. Connect all counties, all major population centers, and all significant economic and tourism centers with a system of high-quality connectors.
4. Provide an interconnecting transportation system with adequate rail, riverport, airport, and public transit interface to enhance future economic growth of the state.

The Strategic Highways Program is crucial to the economy of the 1990s and well into the 21st century. It is a system of strategic highways in which the state should concentrate limited resources and dedicate new funds to accelerate an improvement program. The objective is to provide high-quality highways that will improve the state's ability to compete in the global economy of the 21st century.

It is recognized that changing economic conditions and national transportation patterns can alter the level of corridor needs and change corridor routes. Therefore, the identification of corridors and corridor improvements is a continuing transportation-planning process. The state must be prepared to improve transportation based on expected demand in order to provide adequate levels of service for Kentucky's economy.

The program is comprised of two components. The first component is a backbone network that includes the highways that will be part of the National Highway System (NHS) and other major arterials that connect Kentucky to the national transportation network. The backbone system totals 2,250 miles. The second component is a system of high-quality connectors (some four-lane, some two-lane with passing lanes, some two-lanes with good shoulders) that directly link all counties, all cities with 5,000 or more population, and all significant economic and tourist centers with the backbone system. The connector highways total 1,943 miles. The backbone and connector highways as presently used carry 80 percent of truck travel.

It is important to include in the Strategic Highways Program a funding mechanism that will help ensure its implementation in a timely manner. KBT's funding scenario would establish a base for non-corridor construction and would dedicate a user fee increase to the Strategic Highways Program.

Some proposed new and improved facilities in the Strategic Highways Program are obviously in the state's present six-year construction/preconstruction plan and are "financed." Financing options for proposed

facilities that are not financed include tolls, revenues that are presently being diverted from the road program, normal federal highway apportionments, special federal funds, shared cost with other states, and new **dedicated** state funds.

Assumptions in our funding scenario are:

- Bond funds are not included in base.
- A base percentage for spending on non-corridor projects would be established.
- Statutory deposits to debt acceleration fund would be suspended.
- Funding for I-66 and I-69 would be in addition to this.
- All revenues from new or increased user fees would be dedicated to Strategic Highway Construction/Major Maintenance Fund.

### Kentucky Strategic Highways Funding (Millions)

FY '95 Base Construction Funds		\$526
Non-Corridor Projects (30%)		<u>- 158</u>
Total Corridor Funds		\$368
Corridor Improvements = \$10,000 ÷		\$368 = 27 years
New or Increased Dedicated User Fees		<u>+ 190</u>
		\$10,000 ÷ \$558 = 18 years
Full Funding ISTEA		+42
Special Federal Funds		<u>+24</u>
		\$10,000 ÷ \$624 = 16 years
Continue Funding State Police/Revenue		<u>-30</u>
		\$10,000 ÷ \$594 = 17 years

Considering action being taken on the national level, the fact that **there are only six states with a lower user fee on motor fuels than Kentucky**; that Illinois has a 25-cent-per-gallon motor fuels tax; and West Virginia has just raised its tax to 25.35 cents, we would think that a 10-cent-per-gallon increase in the motor fuel user fee on gasoline would not be unreasonable. The fee would generate upwards of \$200 million annually and provide a 10-year acceleration of the corridor program.

**State Gasoline Tax Rates  
June 1, 1993**

<b>State</b>	<b>Gas Tax Rate</b>
West Virginia	25.35
Illinois	25.11
Tennessee	21.40
Ohio	21.00
Virginia	19.70
Indiana	19.41
KENTUCKY	15.40
Missouri*	13.00

\*Will increase to 17.00 by 4/1/96

Since the program would directly affect the ability of every city and county to participate in the economy and to have an opportunity to compete for expanding business and industry, we think local government will support a dedicated tax.

As state administrations come and go, a statutorily dedicated tax would help provide the discipline to meet a critical goal. If the nation's great Interstate Highway System had not been a program established with dedicated funding, it would not exist.