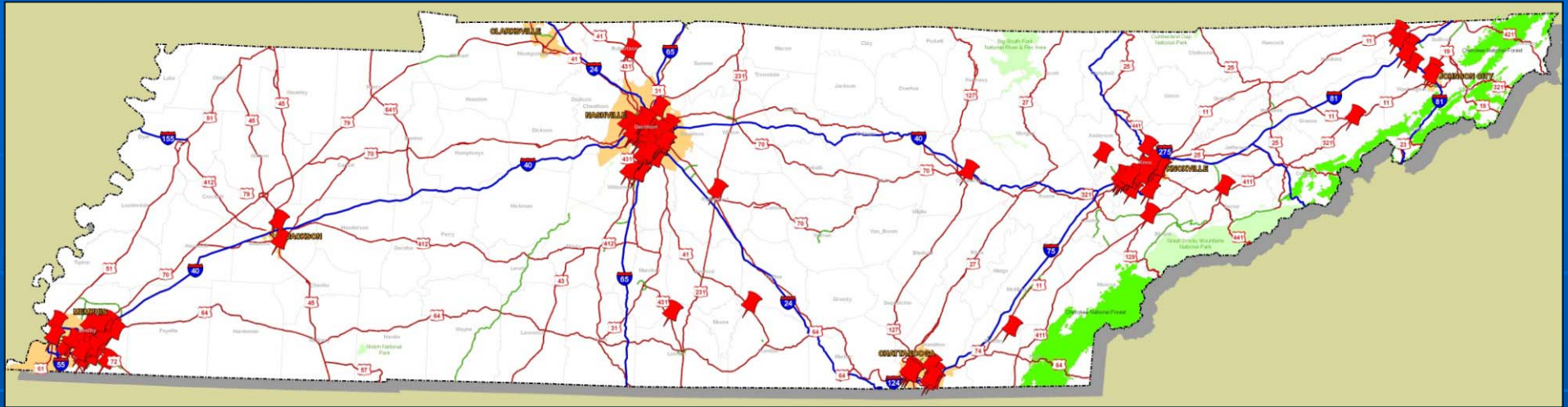




American Council of Engineering Companies  
*of Tennessee*

Presentation to the Senate  
Transportation Committee  
February 2011

# ACEC of Tennessee



- Over 100 engineering firms employing more than 4,000 Tennesseans
- Over 40% of our member firms have between 1 and 10 employees

**ACEC**

American Council of Engineering Companies  
of Tennessee

# Our Mission

- We advocate for engineering issues at local, state, and national levels
- We are the authority on engineering business practices and the voice of the engineering industry in Tennessee



# Our Message

- ACEC is concerned about the current state of Transportation Funding in Tennessee
- ACEC's expertise and resources are available to your committee for **Partnership** on engineering related issues



# Tennessee Pride

- Tennessee always ranks high in quality of highways.
- The condition of our highways has attracted industries like Nissan, Volkswagen, and Hemlock.
- Tennessee leadership has made the right commitment.



# Transportation Needs

- TDOT's Long Range Plan (2005) identified a \$2 Billion Gap between identified needs and anticipated revenues over 10 years
- Must close the gap AND look at additional investments in new modes of transportation



# Current Conditions

- User fees have not changed since 1989, but drivers and mileage have increased
- Since 1990, vehicle miles traveled increase 72% and lane miles only 4%
- State population increased 30 percent from 1990 to 2010
- Construction costs have increased 50% since 1992

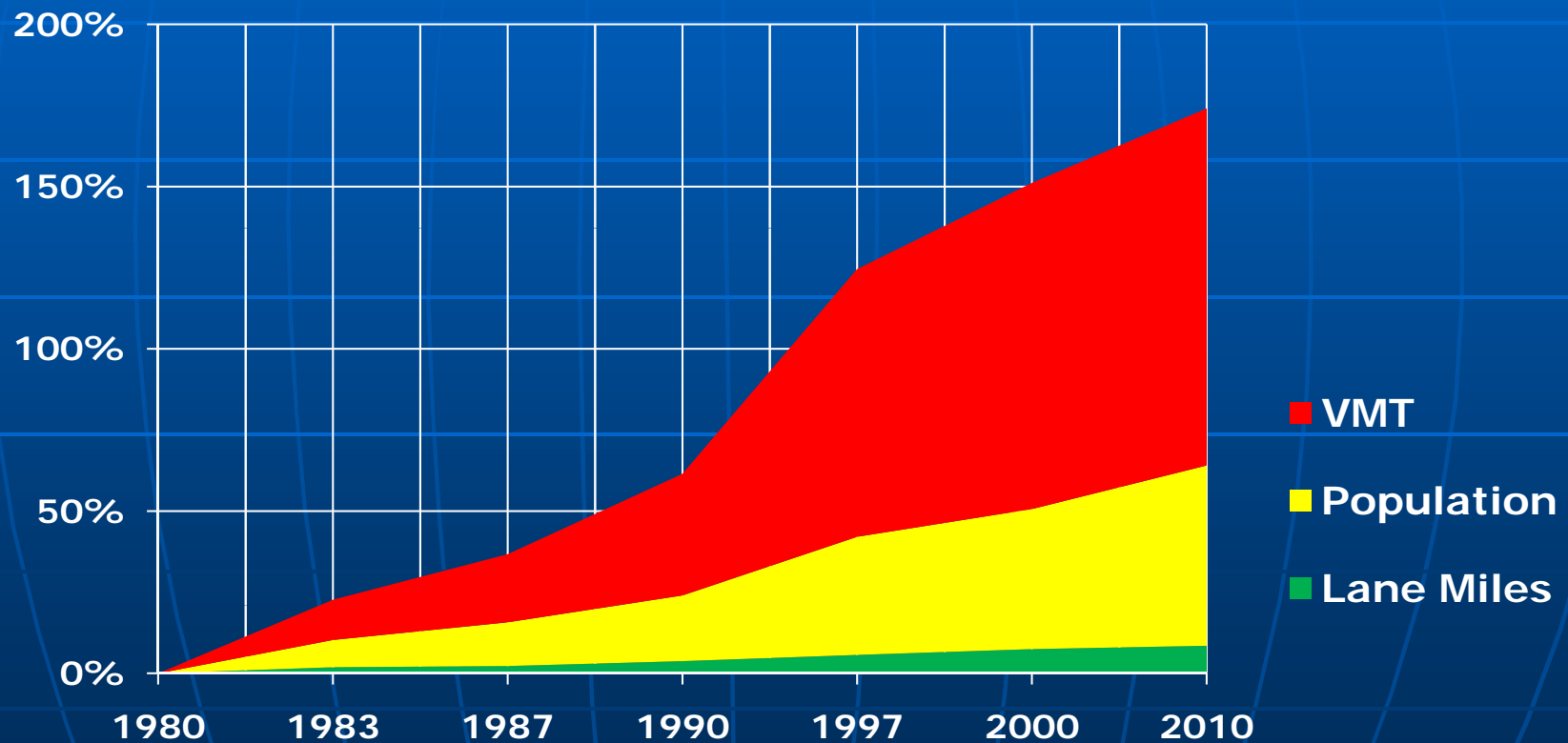
Source: Census Bureau, Bureau of Transportation Statistics

The logo for the American Council of Engineering Companies of Tennessee (ACEC). It features the acronym "ACEC" in a large, bold, serif font. Above the letters "A", "C", and "E" are three thin, white, curved lines that sweep upwards and outwards, resembling a stylized arch or a bridge structure.

American Council of Engineering Companies  
of Tennessee

# Current Conditions

## Tennessee Travel Demand, Population, and Highway Lane Miles



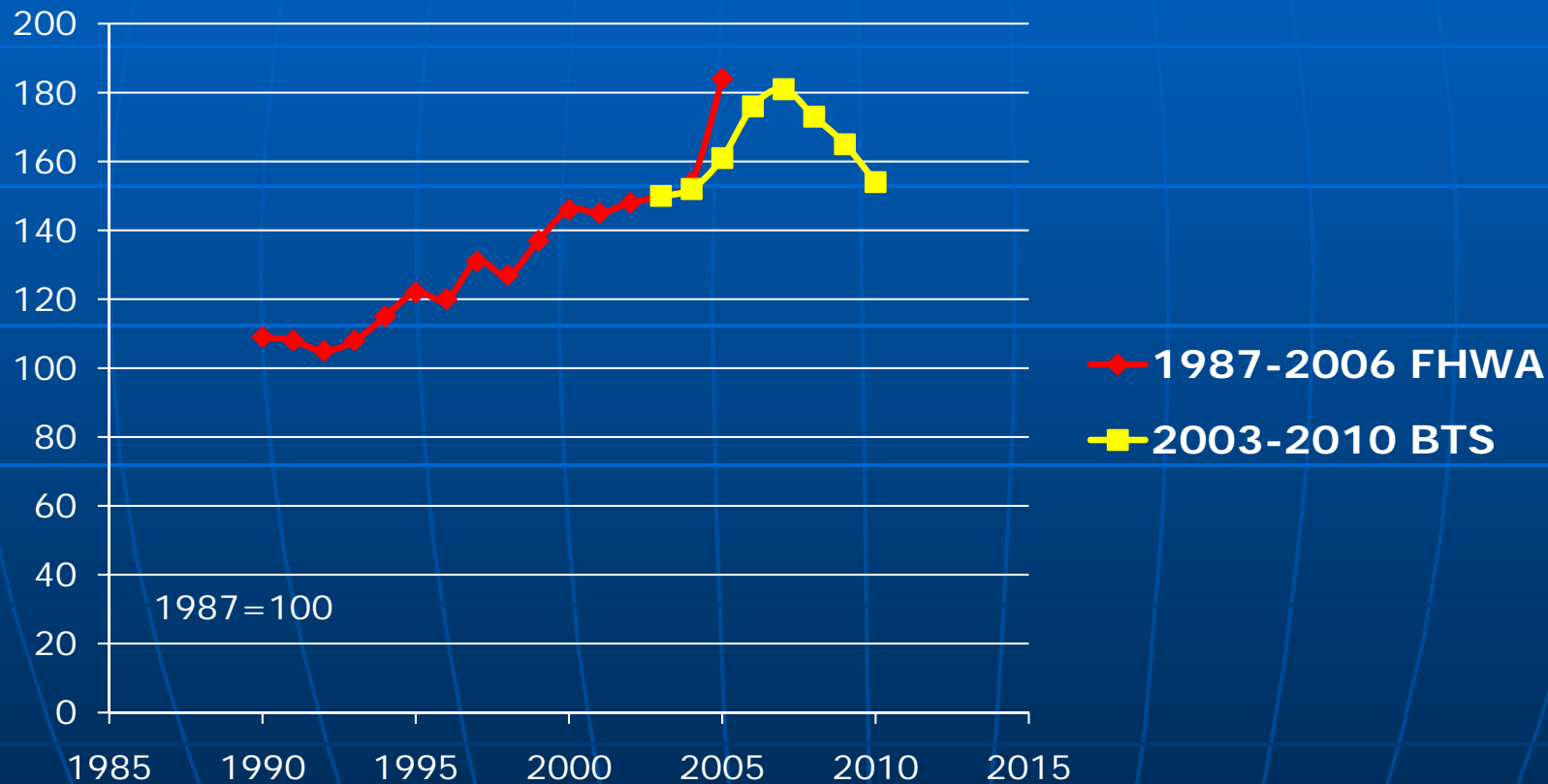
Sources: U.S. Census Bureau, Bureau of Transportation Statistics, & State Historic Data

**ACEC**

American Council of Engineering Comp  
of Tennessee

# Since 1992, Cost of Highway Construction Has Risen as much as 80% in U.S.

## National Highway Construction Cost Trends



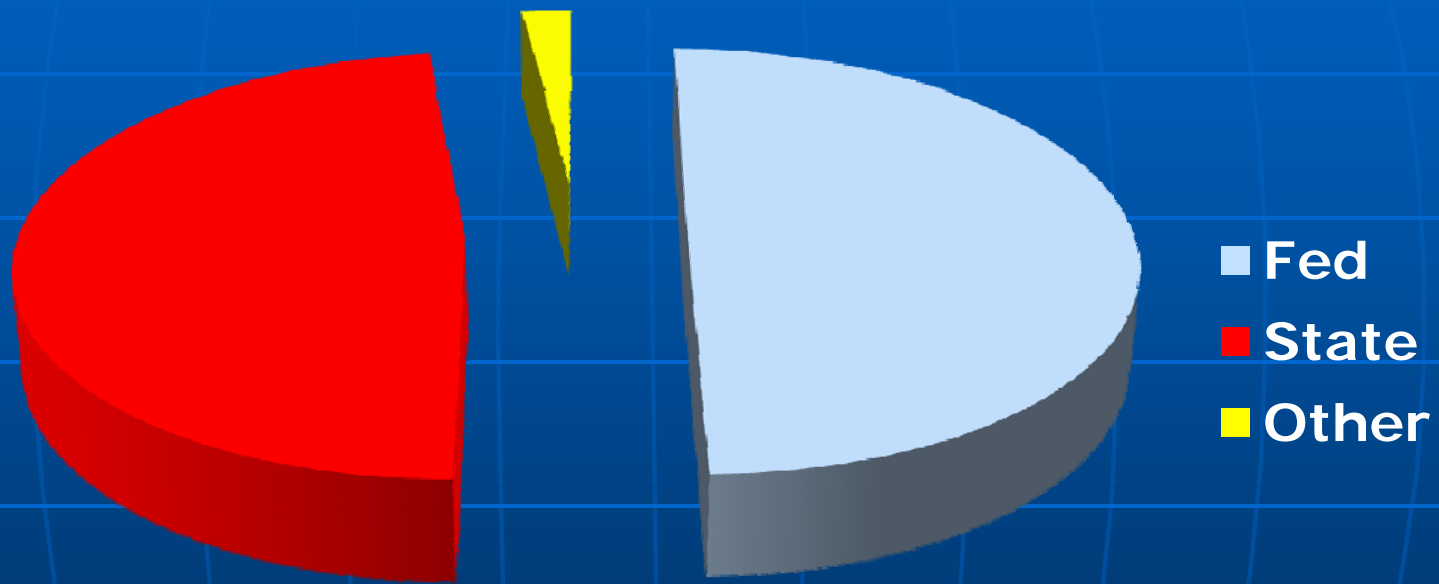
Source: WSDOT 2010, Bureau of Transportation Statistics 2010

**ACEC**

American Council of Engineering Comp  
of Tennessee

# TDOT 2010 – 2011 Budget

Total \$1,804,482,000



Source: TDOT 2010

**ACEC**

American Council of Engineering Comp  
of Tennessee

# Federal Funding

- SAFETEA-LU Expired Sept. 2009
- Currently under 6th Extension of SAFETEA-LU through March 4, 2011
- \$412M Rescinded from Tennessee since 2002
- Federal Gas Tax was set in 1993



# Federal Funding

- 2009 \$572M in Stimulus funds for TN offset by rescissions
- ARRA requirements made it difficult to use funds for Strategic Investment
- Future Federal Funding levels are uncertain



# State Funding

- FY 2008-2009 Gas Tax Revenues fell short of projections by \$50M
- FY 2009-2010 Revenues fell short by \$18M
- Current Revenue is meeting expectations, but trending flat in relation to previous years



# State Funding

- Current Gas Tax set in 1989 and Motor Fuel Tax set 1990
  
- **Estimated User Fees - \$613,900,000**
  - **State Gas Tax - \$262.4M**
    - 21.4 cents/gal (Ranked 36<sup>th</sup> in U.S.)
  - **State Diesel Tax - \$112.3M**
    - 18.4 cents/gal (Ranked 45<sup>th</sup> in U.S.)
  - **State Vehicle Registration Fees - \$201.6M**
    - (split with other state entities)

# Funding Solutions

- Best “Stimulus” is a new robust six year transportation program for job creation and strategic investment
- Transportation Funding Options Special Joint Study Committee studied options
- ACEC supports user-fee based revenue solutions



# Closing Remarks

- Transportation investment is good business
- \$1 Billion of Transportation Investment supports 34,000 jobs
- Every \$1 of Transportation Investment generates \$1.80 of near term GDP
- A reliable, safe, and efficient transportation system is vital to a healthy economy



# ACEC Wants to Help

- ACEC is the voice of the Engineering Industry
- ACEC Transportation Committee partners with TDOT
- Available as technical resource for your committee

