

# EXHIBIT G

## RESEARCH REQUESTS

Jim McKenzie

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### **1. Needs of Cities and Counties.**

AHTD did a good job of presenting needs on the state highway system. To date, the needs of cities and counties have been defined only as a percentage of state revenue. I would like to see documentation of the needs of cities and counties for (1) system preservation, (2) new capacity and (3) safety improvements, each based on the appropriate professional standards.

### **2. Return on Taxes**

There has been some concern expressed over the years about how state highway revenues are spent around the state compared to where they are generated. In 2005 Metroplan compiled an analysis (*Transportation Funding in Arkansas, Return on Taxes – a Matter of Equity*) using AHTD data that indicated the four metropolitan counties in central Arkansas had received a return on taxes of less than 50 cents of every dollar in state and federal gas tax paid by them from 1983 to 2003. I would like to see an update of that analysis applied state-wide by county for the most recent twenty years that data is available and expressed as a percent return on taxes.

### **3. Metropolitan Transportation Authorities**

Some states have adopted legislation for sub-state financing mechanisms centered on metropolitan areas. In Arkansas we have adopted the Regional Mobility Authority Act. I would like a report on what other states have developed such mechanisms, how these metropolitan organizations are structured and funded.

### **4. Local Option Motor Fuel Taxes**

Some states allow cities and/or counties to levy local option motor fuel taxes within their jurisdictions. I would like to see a report on the states that allow local option gas taxation.

### **5. New CAFÉ Standards**

The federal government just adopted new fleet fuel efficiency standards that will gradually rise to average 35 miles per gallon by 2016. I would like to see an analysis, based on current excise tax rates and vehicle miles traveled trends, of how this increased fuel efficiency will impact highway revenue per year through 2016. If increases in fleet fuel efficiency beyond the 35 mpg are reasonably envisioned as necessary to meet anticipated carbon reduction targets, the analysis could be extended to 2050 based on those assumptions.

### **6. Impact of High Motor Fuel Costs on VMT and Revenues**

National and state vehicle miles traveled dropped in response to the spike in the price of crude oil in 2008. The oil markets are currently depressed because of the global economic downturn but have recently been rising in anticipation of a recovery. Federal cap and trade legislation and federal and state revenue needs all promise to increase the cost of motor fuel. I would like to see an analysis estimating the impact on VMT and revenues of high motor fuel costs at various price points.

### **7. Impact of Cap and Trade Legislation**

The Obama Administration has placed a high priority on passing climate change and energy legislation based on a cap and trade system and such a bill is out of committee in the House. I would like to see an analysis of the impact of such an anticipated system on the cost of motor fuels over time as the carbon cap ratchets down.

### **8. Impact of Rising Fuel Costs on Arkansas Families and Businesses**

Rising energy costs of all types have a negative impact on Arkansas families and businesses. If we are to be successful in finding new highway revenues, we need to understand the impacts that will have on our citizens. I would like to see an analysis of the impact of increasing fuel costs on Arkansas families by income bracket and businesses by type. I would also like to see some work done defining what, if anything, can be done to mitigate the negative impacts of rising motor fuel costs, for example, subsidies for buying more energy efficient vehicles?

### **9. Local Government Tax Capacity**

One structural problem with funding city streets and county roads is the constitutional limitations on local government tax capacity for those purposes. I would like to see a comparison of the local government tax capacity in Arkansas to that of other states.

### **10. Tolling Existing Interstates**

There has been some discussion at the national level of removing the prohibition on tolling existing Interstate Highways. If the federal government allowed existing Interstates to be tolled, which would be most feasible and what would the revenue impact be?

### **11. Local Tax Effort**

A large portion of the miles in the county road system and in city street networks are dedicated primarily to access to property and are, therefore, logically supported by local property taxes, principally the county road tax. What is the local tax effort (levy) of the county road tax by county for each year over the past decade?

Several localities have levied a local sales tax for local roads and to provide overmatch to attract state and federal investment to their areas. I would like to see a report of the jurisdictions that levy a local sales tax dedicated to transportation improvements and whether the tax is levied permanently or is temporary.

## **12. Impact of Amendment 59 on County Road Tax**

Amendment 59 changed the way timber and farm property were valued for assessment purposes. What has been the impact of Amendment 59 on the productivity of the county road tax, especially in rural counties with large timber and farming economies?

## **13. Traffic Safety**

Each year nearly 44,000 Americans die in traffic accidents. The costs to society are enormous. It is expected that a major emphasis in the new federal highway bill will be traffic safety. Where does Arkansas stand in terms of annual roadway fatalities? Where do those fatalities occur? What is needed to reduce traffic fatalities on state routes, city streets and county roads by 25 % or 50% over the next decade?

## **14. Federal Program**

A great deal of our state highway program is in response to the federal program. The Highway Trust Fund, established at the beginning of the Interstate era, is all but bankrupt. There have been calls for fundamental reform of the federal program that have been echoed by the chairman of the House Transportation and Infrastructure Committee. In order to fully understand the needs of the state, it would be most helpful to also understand the current status of the federal surface transportation program and what we can expect from the next reauthorization?



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