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Governor's Transportation Summit Remarks

Governor addresses funding gap, bonding issue and the role transportation plays in Utah's economy and quality of life

Thank you for that introduction, Carlos. I appreciate the opportunity to discuss what we have accomplished and what we must do with respect to transportation to maintain our high quality of life and keep our economy vibrant.

I also appreciate your attendance at this Transportation Summit, the first of its kind since 2005. While that was only eight years ago, our state has seen a lot of positive growth and change since the last summit.

You will notice I said "positive growth and change." That's because growth and change, properly planned for, are good. Former British Prime Minister Harold Wilson said, "He who rejects change is the architect of decay. The only human institution which rejects progress is the cemetery."

With that in mind, I'd like to mention some of the positive growth and change that have occurred in Utah over the past 8 years.

You may recall one of our primary objectives during the 2005 Summit was to support and strengthen Utah's economy through planning and infrastructure. Today, it is readily apparent – THAT focus, and our consistent effort to achieve it, are paying off. Since 2005, we have added 142,000 jobs in Utah, many of which are concentrated near new and improved infrastructure.

Appropriate infrastructure facilitates economic growth.

In Lehi, for example, more than 4,000 jobs have been created over the past three years near two large projects – the Timpanogos Highway with its new diamond interchange at Thanksgiving Point, AND - the new FrontRunner station by Adobe. Companies such as

Adobe, Cabela's, Xactware, Traverse Mountain Outlets, IM-Flash and a new hospital, among others, have all moved or expanded their businesses in that location due, in large part, to access to an excellent transportation system.

And contrary to popular opinion there are no plans to make the orange traffic cone our official state symbol, despite the beehive of construction activity on our roads and highways. We've had 216 projects completed this year, and we have approximately 225 scheduled to get under way next year. So there's no denying how busy we have been with respect to building more and better infrastructure. Nor can we ignore the significant investment Utah has made.

To put it in perspective, we have invested more than \$5 billion in new transportation infrastructure over the past 10 years. This investment has helped our economy continue to grow and has helped us maintain our high quality of life.

Currently, Utah is growing jobs at approximately 2.7 %, which is double the national average – AND a large part of that is the result of our investment in transportation. That's why we continue to invest in infrastructure. Still, we do not have unlimited resources.

That is one of the principle reasons for holding this summit – to gather ALL of YOU, the brightest minds in the industry, in a spirit of partnership and innovation, to address this challenging reality: That the demands on our transportation system are growing, right along with our economy, and often put a strain on the resources we have available to fund them.

Let me take a minute to talk about bonding. Utah is one of the best-managed states in the nation, maintaining a AAA rating. Our state has made a significant investment to accelerate transportation projects, and we will continue to invest in transportation, but we also have an obligation to protect our AAA rating. So our ability to borrow is limited.

Simply put, we cannot continue to bond – or borrow -- at the same level we have since 2008.

Another challenge we have is the aging of our infrastructure, particularly in rural Utah. For example, we have hundreds of bridges that were built when the first sections of the interstate were completed in Utah.

Unfortunately, while our transportation needs remain in the fast lane and are even accelerating, the gasoline tax we use to fund these needs is stuck in the slow lane in second gear.

In other words, the purchasing power we derive from the gasoline tax is decreasing due to inflation. This is compounded by the fact that our automobiles are becoming more fuel-efficient.

Moreover, we have new alternate-fuel vehicles – hybrids, electric cars and natural gas vehicles – that do not pay AS MUCH in gasoline taxes, or are not subject to a gasoline tax at all, but still put wear and tear on our roads.

Look, finding sufficient money for our transportation needs in Utah has always been a challenge -- **and** that challenge is even greater today. To illustrate this, it is useful to compare Utah's transportation outlook in 1947 with the present.

- In 1947, slightly more than 7 million miles were traveled on Utah's roads.
- Utah's state roads totaled approximately 5,500 miles.
- And the cost of improving those roads was estimated at about \$280 million over two decades.

That required a \$14 million expenditure each year – or roughly \$4 million more than the combined total Utah received from federal funds and the state's four-cent-per-gallon gasoline tax.

To make up for the shortfall, then-Governor Herbert Maw proposed a two-cent-per-gallon increase in the gas tax.

Let's fast forward to today.

- In 2012, 26.5 billion miles were traveled on Utah roads – that's Billion with a "B."
- That's more than 4,000 times 1947 levels.
- Today, we have 5,858 miles of just state-maintained highways, along with 35,000 miles of local roads and 140 miles of commuter and light rail in our transit system.

We have to keep that transportation system in good condition, and provide additional capacity to handle Utah's continuing growth in population and economic activity. That's why all of the transportation agencies in the state – including the Utah Transportation Commission, UDOT, UTA and our Metropolitan Planning Organizations – came together to create Utah's Unified Transportation Plan.

We're the only state in the nation to have a shared plan like this, which reflects Utah's uniquely collaborative approach to planning for the future.

The Unified Transportation Plan identified \$54 billion in needed maintenance and critical road and transit projects through 2040. Our current taxes will fund an estimated \$43 billion of that total, leaving us about \$11 billion shy of what is needed. Therefore, we have a funding gap.

Further exacerbating matters, our fuel tax, which is 24.5 cents per gallon, has not been raised since 1997 – and the purchase power of the fuel taxes we collect has declined

40% since then due to inflation. Interestingly, the amount Utahns pay in fuel taxes is lower today, as a percentage of household income, than at ANY TIME since the tax was first levied 90 years ago.

This problem is not unique to Utah. Other states are grappling with the same challenge. Some states, such as Wyoming, have simply increased the tax they charge per gallon. Other states, such as Florida, have indexed their gas tax to inflation. Still others, such as Virginia and Georgia, have applied a sales tax to the cost of fuel.

I believe we can overcome our potential shortfalls, but I also believe no single solution can address all current and future transportation needs. As they say... there is no silver bullet.

We must explore and implement multiple strategies that address both state and local needs. We must address multiple modes of transportation and ensure those who use the system pay their fair share of the costs.

Another strategy worth exploring is to partner with the private sector to maximize our transportation system. We must be creative and innovative as we look to find Utah solutions to our unique Utah challenges. By doing so, I believe we can provide better service to the public and contain costs.

As governor, it is my goal for Utah to continually be recognized as one of the most desirable places in America to live, work and do business. We do that by offering the very highest quality of life. Thankfully, we have many things going for us.

In addition to a thriving economy, our transportation system provides connectivity to people, places and businesses that shape our lives. The ability to travel on safe, well-built roads allows us to do the things that matter most. Thanks to our transportation system, we can travel to family gatherings. We can visit our amazing state and national parks and one-of-a-kind landscapes. We can frequent any of the more than 80,000 businesses that call Utah home. We can also use roads and a world-class transit system to go to work, attend football or basketball games, or volunteer at community centers with ease.

All these things add up to an exceptional quality of life – one that is enhanced because of our high quality and functional transportation system.

As we work to improve connectivity and build our economy, we must also focus on other issues.

Last week, I introduced “Your Utah, Your Future,” a statewide initiative aimed at maintaining our great quality of life as we grow. Continuing to think ahead about transportation is part of that effort.

Another part, closely tied to transportation, is **air quality**. With its health and economic impacts, Utah’s air quality warrants serious public consideration and action.

That said, I believe some perspective is also needed. While we still have a long way to go, the fact is, our air quality has improved dramatically over the past ten years, with a decrease in pollutants of nearly 50 % in Salt Lake County alone. Still, as I’ve said

before, “One day of bad air is one day too many.” So this is an issue on which we all must work together to improve.

With more than half of pollutants in the Wasatch Front air shed coming from vehicle emissions, the transportation industry is in a unique position to effect significant change. And I’m pleased to report we are on the right track.

Last month, I announced the formation of the Clean Air Action Team or **CAAT**. Acting under the guidance of Envision Utah, members of this team will gather data on our state’s air pollution and, WITH public input, develop effective and publicly supported policy recommendations to address our air quality issues.

We also have Utah Clean Air Partnership – or **UCAIR** – which educates the public – residents, businesses and communities – on the voluntary measures they can take to improve our air quality.

As part of that effort, we also have UDOT’s **TravelWise** program, which has been responsible for helpful initiatives, including posting messages on freeways advising drivers to take steps that reduce emissions, especially on days when air quality is less than desirable. Since we started using these messages, vehicle use on red-air days has decreased by about 4 %, which translates to thousands of tons of pollutants that are no longer being discharged into our air.

We also have made important strides in mass transit. For instance, the recent openings of the Airport and Draper TRAX lines are helping keep our air cleaner by taking more cars off our roads. The same is true of FrontRunner.

UTA ridership reached record highs in 2012, with 42.8 million riders, a 25 % increase over 2011.

Transit use reduced daily vehicle trips along the I-15 corridor by 29,000 in 2012, and yearly passenger miles in Utah by 251 million.

Along these same lines, we have EVEN MORE good news to report on the clean air front.

Just this morning, I directed Kent Beers, our director of purchasing, to sign a major agreement with UTA to purchase transit passes for 19,000 state employees within the agency’s service area. The agreement is effective January 1st of 2014 – and the Department of Administrative Services estimates the passes will be used for approximately 1.35 million trips in the first year alone. Think of all the cars this will take off our roads and highways. This agreement represents a significant part of our strategy to improve air quality by reducing single-occupant vehicle trips.

Still, much more remains to be done.

We need to continue to think of ways to strengthen partnerships with other agencies and private industry to encourage smart travel choices, such as carpools and van pools. We also must encourage business practices that reduce emissions, such as flexible work schedules and anti-idling polices. Again, innovation and creativity in this area has to be a part of our approach.

Another important issue we ought to touch on is **Public Safety**. UDOT's Zero Fatalities program has made tremendous progress toward the goal of eliminating fatalities on Utah roads. With this program, we target the five driving behaviors that contribute to highway fatalities:

1. Drowsy driving
2. Distracted driving
3. Impaired driving
4. Aggressive driving and
5. Not buckling up

In 2012, we had 215 fatalities. The good news is that number is down 28 % since the start of the program in 2006. But I believe we can do even better. Achieving zero fatalities requires us to address driver safety from every angle. Last year, 44 % of vehicle-fatality victims were not wearing seatbelts. That is an extremely disappointing statistic.

We will not reach our goal until EVERY person buckles up EVERY time.

There are other ways we can help. We need each of you to continue making safety a priority as we design an integrated transportation system that's safe for everyone -- pedestrians, cyclists, transit, cars and trucks.

I would encourage you to talk to your families and friends about the five behaviors that cause fatalities. And be an example by always wearing your seatbelt.

And by the way, one of the most serious, aggravating, and growing problems we have is distracted driving. As an example, we've all seen drivers who are too busy sending a text on their iPhone to look at the road. This is foolish and selfish behavior that is leading to death and destruction.

This must stop.

We must **NEVER** text and drive – and we should enlist the support of our families and friends to follow suit. If you need to text, pull over to the side of the road and stop. And don't endanger the lives of your fellow travelers.

Shifts in the way we think, plan and act will help us make the necessary improvements for connectivity, air quality and safety. Some of the shifts I want to see will require action from outside parties, such as the federal government.

Last month, I met with Secretary of Transportation Anthony Foxx to discuss concerns about how existing policies place constraints on the transportation industry. Two specific areas we talked about had to do with the bidding process –the **Buy America** and **Disadvantaged Business Enterprise** -- or DBE. Both policies were ostensibly created to help American businesses.

However, the construction industry we task to build our roads in the most efficient and cost-effective manner possible, have raised concerns that these regulations, though well-intentioned, are actually preventing them from accomplishing that goal and, in some cases are even costing taxpayers more money. In our current economic environment, we absolutely must provide greater value with the resources we have—and, in some cases, we will need to provide more with less.

Secretary Foxx was open to hearing about these concerns, and I encouraged him to review current Transportation Department rules and regulations to find more efficient and effective ways to spend the taxpayers' dollars. While one meeting with the secretary may not result in overnight policy change, I am encouraged, and I assure you that I will continue to advocate and fight for better processes and policies that will lead to better outcomes.

Together, we can help shift thought and action in the right direction. Fortunately, we in Utah are not solely dependent on the federal government to ensure the continued health of our economy and transportation system. The public and private sectors in our state often partner together to provide better service, faster construction and extraordinary results.

We depend on contractors and our partners in the private sector to help us gather ideas and technologies that can make us more effective. And the transportation industry has been a good example of innovation – something we in Utah have a history of.

- In 1847, for example, William Clayton, Orson Pratt and Appleton Milo Harmon invented the “Roadometer” to record the distance the Mormon pioneers traveled each day in their covered wagons during their trek to Utah.
- In 1912, Salt Lake City policeman Lester Wire was put in charge of the newly created traffic squad.

Traffic in Salt Lake City in those days was perhaps best characterized by the title of a Cole Porter song: “Anything goes.”

Street cars stopped intermittently to let passengers off, cars traveled on whichever side of the street they wished and made U-turns anywhere, and pedestrians were fair game and always in season.

Lester assigned patrolmen to stand on small platforms in the middle of busy intersections to direct traffic, but soon became concerned for their safety.

So he created a small wooden box with red and green electric lights on each side and placed it on a pole in the middle of the intersection on 2nd South and Main Street – **and the first electric traffic light was born.**

Most Salt Lake residents initially ignored the “flashing bird house,” but Lester persisted, the lights eventually caught on – and the rest is history.

- Some transportation innovations of more recent vintage in Utah include innovative bidding procedures, collaborative statewide planning and accelerated

bridge construction – ALL proven methods for saving taxpayers time and money.

- Accelerated bridge moves, for example, involve building a bridge on site and using technology to slide it into place once construction has been completed. It is impressive technology – something to see! A few years ago, UDOT made history.

About 1,100 people -- including industry professionals from as far away as China – gathered in Utah County to watch self-propelled transporters put in place the massive Sam White Bridge over I-15. At 354-feet long and 3.8 million pounds, the Sam White Bridge was the largest two-span bridge ever moved in the Western Hemisphere. It was built 500 feet from its destination, thus reducing the time and distance needed to install it.

Thanks to UDOT’s innovation, a process that used to tie up traffic for weeks and months has now been reduced to several hours in the middle of the night, and at minimal inconvenience to motorists.

UDOT has completed 41 accelerated bridge moves to date, saving Utah taxpayers about \$123 million in lost time and productivity.

Innovation such as this enables us to better serve the public. We have reduced delays during and after construction, and delivered more product with the money we have. And through such innovations we have made Utah one of the most attractive locations in the country to start and run a business.

In conclusion, I thank you for your efforts to keep Utah moving. But before I leave, I want to issue a challenge to each of us here today to do even better.

- Let’s go beyond the status quo and give our state a stronger economy, better access, cleaner air, greater mobility, and maintain and even improve our quality of life.
- Let’s continue to find new ways to innovate.
- Let’s work to keep Utah as the nation’s leader in transportation, and
- Be part of the solution as we seek ways to ensure appropriate funding for transportation and to better stretch every dollar we have.

The challenges we face are real. Addressing them won’t always be a smooth process. The road to solving them could get a little bumpy at times. So as we proceed down this road together, we would do well to remember the road to success is not always smooth or straight.

Just remember... “There is a curve called **Failure**, a loop called **Confusion**, red lights called **Circumstance** and detours called **Obstacles**. But if you have a spare called

Determination, an engine called **Perseverance**, and a driver called **Will Power**, you will make it to a place called **Success**.”

Despite the difficult road ahead, I am optimistic we will succeed ... Because I know the people in this room today are up to the challenge. You've shown time and again you are capable of doing great things. I look forward to working with you to make Utah even better and our first class transportation system second to none.

Thank you!