



COMMONWEALTH TRANSPORTATION BOARD



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Transportation Revenues Projected to Decline \$2.1 to \$2.6 Billion Over Next Six Years

VDOT outlines its response to economic downturn

Richmond – Secretary of Transportation Pierce R. Homer today announced that state and federal transportation revenues are projected to decrease between \$2.1 and \$2.6 billion over the next six years. Updated official state transportation revenue estimates were given at the Commonwealth Transportation Board meeting today.

“We must make fundamental structural changes to our transportation administration, services, programs and projects to address this long-term change to our revenue base. The weak economy and reduced state and federal transportation revenues require that the existing transportation budgets and the Board’s Six – Year Improvement Program be further reduced.” said Secretary Homer. The Program was last reduced in June by \$1.1 billion.

The \$2.1 to \$2.6 billion in reductions is comprised of both federal and state transportation revenues. The Commonwealth’s chief economist, John Layman, outlined to the Board the formal revenue forecasting process that has been followed to determine the magnitude of the state transportation revenue reductions. The presentation also outlined the structural changes in the economy that will impact both gasoline and auto sale tax collections for the long-term.

Adding to the revenue decline is the uncertainty of the federal transportation funding - legislation expires this year that governs these funding levels. Congress took one-time action in September to offset declining federal gas taxes for one year. “As AASHTO shared in September, the one-time congressional action was a very short-term solution to a long-term issue. We will be working over the next several weeks with experts to determine the best approach to forecasting future federal transportation funding,” said Secretary Homer.

During the meeting, Virginia Department of Transportation Commissioner David S. Ekern presented a high level plan outlining how VDOT will respond to the six year revenue forecast and position itself to address long-term economic changes to transportation revenues.

“In the future, VDOT will be a smaller agency. We cannot afford to administer and deliver our services, programs and projects the same way we have in the past,” said Ekern. “Safety, emergency response and maintenance of existing roadways will be our top priorities, but we will have to make some difficult decisions to live within our means.”

VDOT’s plan includes reducing service and staffing levels throughout the Commonwealth, particularly through reductions in residency offices, senior management and repair shops. VDOT will also evaluate services provided throughout the commonwealth including roadside maintenance, lighting, mowing, signage and other activities.

The six-year program will be revised by the Commonwealth Transportation Board by January to account for the state and federal revenue reductions. These reductions will greatly impact state and local highway construction throughout the commonwealth.

To learn more about the updated state transportation revenues and VDOT’s response to the revenue downturn, visit www.ctb.virginia.gov.

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