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BUSINESS, LABOR LEADERS OUTLINE TRANSPORTATION FUNDING PROGRAM

*Transportation for Illinois Coalition puts gaming, taxes on table in effort to protect state's
transportation infrastructure, create jobs, grow commerce*

SPRINGFIELD – Illinois' top business and labor leaders gathered at the State Capitol today to outline a comprehensive transportation infrastructure funding proposal to support critically needed investment in Illinois' deteriorating transportation network.

The Transportation for Illinois Coalition (TFIC), a diverse group of statewide and regional business, labor, industry, not-for-profit and governmental organizations, calculates the State's transportation infrastructure needs an additional \$5 billion per year over the next five years. This can be achieved with an approximate \$2 billion revenue increase through bonding with a multi-year payment schedule and pay-as-you-go financing.

New funds are critically needed to reverse years of decline and neglected maintenance in our transportation networks, as well as, to finance expansion, modernization, and congestion relief. It is necessary to increase the taxes and fees dedicated to constructing and maintaining transportation networks from time to time because the funding sources do not keep up with inflation or the rising cost of building materials. Increased investment in our transportation networks is required to sustain commerce and promote job growth in Illinois, while making travel easier and improving the quality of life for everyone.

Adequate funding for transportation requires the General Assembly adopt a combination of traditional tax and fee increases, as well as dedicate new revenue sources to meet the State's infrastructure needs. TFIC recommends a menu of revenue sources including increasing the motor fuel tax and/or fees for vehicle license plates, certificates of vehicle title and driver's licenses for the purpose of increasing the amount of money available for road and bridge construction. The Coalition also recommends increasing the sales tax that is levied within the six county RTA region to sustain public transit operations in Northeastern Illinois.

The Transportation for Illinois Coalition announces support for expansion of gaming in Illinois and recommends \$500 million dollars of the new revenue generated from the gaming industry be dedicated annually to infrastructure funding for public transit systems. The Coalition further recommends that additional revenue generated from the gaming industry be used to halt

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diversions from the state road fund that are currently being used to finance governmental purposes other than investing in improving highway infrastructure.

“Transportation funding has not gotten its needed attention,” said Michael T. Carrigan, president of the Illinois AFL-CIO and TFIC co-chair. “Transportation is the resource on which everything else depends and putting off investment for even one more year is not an option. Every day sends our already deteriorating network into further disrepair, undermining our ability to pay for other vital government programs and ultimately putting Illinois’ economy, jobs and families at risk. The Governor and General Assembly must act now.”

“It is time that our legislators move forward with a bill that adequately funds Illinois’ transportation infrastructure,” said Doug Whitley, president of the Illinois Chamber of Commerce and TFIC co-chair. “We are the nation’s transportation hub and our entire economy is built on this infrastructure. It is imperative that we protect and advance this vital asset. TFIC is prepared to support new levies from appropriate sources to fund the needed investment.”

Except for a modest \$200 million increase for mass transit, which falls short of the \$2 billion a year in increased funding RTA needs, the Governor's proposed capital budget for FY2008 does not include increased funding for infrastructure improvements or new capital funding for airports, rail passenger improvements or the CREATE rail freight congestion program. Further, his proposed capital program only calls for \$1.875 billion for highways, a cut of \$100 million from this year's level.

Illinois’ last comprehensive transportation funding program was Illinois FIRST, enacted in 1999. The remaining funds under Illinois FIRST were disbursed three years ago. Since 2003, state capital spending for highways and transit has been cut by more than 60 percent (\$1.2 billion a year), and the number of miles of state highways repaired and improved each year has dropped from about 1,200 in 2003 to a proposed 360 for 2007.

Without adequate funding, Illinois transportation systems are quickly grinding to a halt. Thousands of miles of highways, roads and bridges are in disrepair, bottlenecked rail lines in northeastern Illinois are affecting regional and national commerce and aging public transit systems, as well as ever worsening congestion on urban and suburban roads, are frustrating commuters.

TFIC is dedicated to working with the General Assembly to ensure the passage this year of a comprehensive transportation infrastructure bill that is sufficient to address the needs of highways, bridges, local roads, freight rail grade separations to relieve urban congestion, inter-city passenger rail, public transit, paratransit and local airport. It is imperative to assure adequate state funds exist to supplement federal dollars allocated for many of the state’s transportation projects.

TFIC is a diverse group of statewide and regional business, labor, industry, not-for-profit and governmental organizations that have joined together in a united and focused effort to support a strong transportation alliance for Illinois. The Coalition takes a comprehensive approach and seeks to speak with one voice for all of Illinois when it comes to transportation funding needs at the federal and state level. This comprehensive approach involves all modes of transportation, including rail, air, water, highways and mass transit. For more information about TFIC, visit www.TFICIllinois.org.

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