

THE ROAD TO AFFORDABILITY

The mission of state transportation agencies nationwide has moved away from building a highway system and towards managing an intermodal transportation network. With the Herculean effort of building the Eisenhower Interstate System essentially complete, transportation agencies nationwide are shifting their focus towards managing mobility through a more effective use of what is essentially a completed transportation network. To achieve the highest degree of mobility for users, it is imperative that VTrans strive to glean maximum efficiency from the existing transportation system as a first priority, making additional capacity investment in the infrastructure when warranted.

Governor Douglas and Transportation Secretary Lunderville recently announced a significant policy change within VTrans. Titled “The Road to Affordability,” the policy is driven by a number of factors. The policy’s essence, however, is based on the fact that Vermont has an aging transportation infrastructure that demands greater and more costly attention than in the past. As a result, bridge, culvert and road repair are competing with new roadway construction projects for limited funds.

Given this reality, Vermont must first step back and preserve its existing assets so that they do not deteriorate to the point that they require major reconstruction and become a financial drain on the entire system. Such early intervention and preventative maintenance can result in significant savings:

- A \$100,000 investment in a culvert under 20 feet of fill on the Interstate today will save over \$1 million for replacement construction and detours tomorrow.
- A \$100,000 investment in a new bridge membrane today will save over \$1 million for deck replacement tomorrow.
- A \$1 million investment in the pavement of a good roadbed today will save over \$5 million in costly reconstruction in the future.
- Preventative maintenance done today also eliminates future aggravation and delays for the traveling public and freight haulers.

Another critical component of the Road to Affordability is a set of strategic parameters. These include:

Realignment of priorities:

- Primary investment will focus on traveler safety and the preservation of existing infrastructure.
- Optimize financial resources by focusing attention on a practical number of large projects.
- Set realistic timetables for large projects and new roadway segments, and balance funding within the Roadway Program to reflect a priority on system preservation.

Rethink project focus:

- Back to Basics – Where design status allows, develop project scopes that limit the addition of project amenities not related to preservation and environmental protection. (Example: under-grounding of utilities, streetscapes)
- Innovative Finance - Any proposed new roadway-segment project not presently in the Development & Evaluation portion of the Capital Program will require an innovative financing approach acceptable to the Agency prior to being considered for inclusion in the capital program.
- Just-in-time delivery of Design, Right of Way, & Permitting – VTrans will begin these processes only after project funding has been identified and a time line has been established so time, money and effort is not wasted.

All of the above actions have wide public support. A 2006 public opinion survey indicated that 70 percent of Vermonters favor spending a greater share of the budget on bridge repair/replacements and highway road repair and repaving. In addition, ongoing outreach efforts at regional Transportation Advisory Council meetings call for trading new roadway segment investments for preservation of existing systems.

Despite increased funding from the federal government under SAFETEA-LU, needs still outstrip resources. Both federal and state Transportation Funds are sluggish at best. Vermont needs to maintain its transportation network within already identified revenue sources. At the same time, the budget must deal with an array of upward pressures:

- Major new capacity projects.
- Deferred Maintenance.
- Cost increases outpace revenue increases.
- Unprecedented demands on Public Transit.
- No dedicated federal funding for Rail.

The need to focus attention on maintaining the overall system emerges from an asset management and performance management frame of mind that takes a system-wide view of transportation problems, needs, and opportunities. The rationale is to ensure the maximum benefit per dollar of investment, while at the same time achieving system-wide performance goals. An explicit link to the annual budget development process is a necessary means to carry out these goals.

The urgency of these factors is driving VTrans' effort. To spend transportation dollars in the most cost-effective manor, VTrans management and staff are employing an array of management tools and practices that align in a hierarchical and prioritized manner. The overarching element of this approach is the philosophy of asset management.

Simply put, asset management is putting limited transportation dollars to work where they do the most good. That means maintaining an aging transportation infrastructure before it becomes unusable and requires substantial investment. This requires balancing many competing interests. Tradeoffs must be made between paving, bridge, new highways, rail, airports, park & ride lots, and more.

Vermont has an aging infrastructure that must be preserved. VTrans views asset management, quantitative project prioritization, and associated performance measures as a means to get the most out of limited transportation dollars.

The total transportation budget of only \$430 million including DMV is highly dependent on federal funding (about 51 percent). That budget supports a transportation infrastructure of:

- 3,200 two-lane miles of pavement on state roads.
- 2,675 bridges greater than 20 feet in length.
- 1,112 large culverts (6 feet or more in diameter) and 40,000 small culverts.
- 10 state-owned airports.
- 305 miles of state-owned rail line with 265 bridges.
- 122 heated and 289 unheated buildings.
- Other assets including a fleet of vehicles, park & ride lots, rest areas, and ancillary highway assets.

In essence, transportation asset management is a tool for making transportation investments in a way that maximizes the value and predicts asset conditions under different funding levels. Electronic databases and computer models are features of an asset management system. A broader definition includes all transportation investment, and the ability to do comparative scenarios with different levels of funding for all aspects of the transportation system.

Vermont is one of the few states with asset-management principles and performance measures written into statute.

In summary, transportation asset management views transportation facilities as the building blocks of our communities. As stewards of publicly owned assets, it is incumbent on VTrans to have a long-term vision for the transportation network and effectively manage the resources under its care.

The Road to Affordability uses wise management of these publicly-owned, physical facilities to ensure a satisfactory quality of life, including a high level of economic vitality. Although it does push the construction of some large or new-roadway projects into the future, it does that so a greater investment can be made to preserve Vermont's transportation network statewide, and prove the traveling public with the safest and most reliable transportation infrastructure possible.