PAR COMMENTARY

Public Affairs Research Council of Louisiana, Inc. P.O. Box 14776, Baton Rouge, LA 70898
Phone: 504/926-8414 FAX: 504/926-8417 Web site: www.la-par.org

FOR IMMEDIATE RELEASE
June 1, 1998

Contact: **Jackie Ducote, President or**

Ty Keller, Senior Research Associate
(504) 926-8414

NOW IS NOT THE TIME

Legislative proposals to renew the four-cent-per-gallon "TIMED" gas tax 20 years beyond its scheduled expiration date would fund $2 billion in road and bridge projects that have never been adequately evaluated and justified.

TIMED was designed as an "economic development" program but no economic development criteria were used to select the projects. The TIMED tax was first levied in 1990 for a 15-year period to fund the four-laning of highways connecting major cities, three bridges and port and airport projects in New Orleans. Most of the 16 projects in the "TIMED" program were not likely to be funded under the state's regular highway priority construction program which is based on specific criteria such as traffic count and road conditions.

Last year PAR released a study showing that midway into the 15-year TIMED program, only three of the 16 projects and 65 of 500 planned highway miles had been completed.

SB 104 and HB 286 would not only provide funds to complete all remaining TIMED projects based on revised cost estimates, but would also provide a $300 million cushion in case some projects end up costing more than estimated. The bills would require projects to be prioritized but not justified.

MORE

Even though the bills would require annual reports and revised cost estimates, there is nothing to guarantee that even with the 20-year gas tax extension the state will not end up with another half-completed program down the road.

PAR's study of the TIMED program recommended that the tax not be extended until a thorough evaluation of all the remaining TIMED projects and sub-projects had been made. Proponents of the current legislation are urging immediate renewal arguing that it is needed for preconstruction work to keep construction flowing smoothly. However, if the decision to renew were put off until the 2000 fiscal session, the Department of Transportation and Development would still have four years to do preconstruction work for projects in 2005. Waiting would provide an opportunity to conduct a real evaluation of the remaining TIMED projects.

In its earlier study, PAR recommended that the evaluation be done by the Transportation Estimating Conference (TEC) which would determine project costs, establish economic development and highway needs criteria and apply the criteria to the projects.

The TEC was activated by the governor, and it has made some headway in making better cost estimates, but it did not take on the job of creating economic development criteria or evaluating projects.

The governor also created a TIMED Review Task Force and charged it with "evaluating the state's continued need for projects not yet completed and for additional projects...based on the **cost effectiveness** of the projects and the economic development and transportation improvement infrastructure needs of the state, so that a **reasoned decision** can be made regarding the state's need to re-enact and renew the tax and TIMED program..." (Emphasis added by PAR.)

The task force heard testimony for various projects, but no effort was made to apply specific economic development criteria or to assess the cost effectiveness of the remaining TIMED projects. At this date, the task force has not adopted a final report and has not provided the basis for a "reasoned decision" on the tax renewal.