PROJECT NUMBER
05114

PROJECT TITLE
Alternate Financing Sources for Alabama Highways

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PROJECT OBJECTIVE
The main project objective is to identify alternate income sources for the construction and maintenance of Alabama highways and estimate their contribution to construction funding.

PROJECT ABSTRACT
In 2001, state and local governments, with federal assistance, spent about $125 billion to build and maintain the nation’s highways and bridges and about $19 billion to build and maintain the nation’s transit systems. Almost half of the money spent on highways was federal funding, obtained mostly from motor fuel and other taxes deposited into the Highway Trust Fund and made available to the states by the Federal Highway Administration (FHWA) for capital projects. However, the traditional sources of revenue might not be sustainable. In today’s political climate, gasoline taxes are difficult to promote and adopt. Recent data from the FHWA indicate that increased use of alternative fuels is occurring much faster than forecasted in previous years. This resulted in the reduction of funds available for transportation improvements in Federal fiscal year 2004
and the trend is expected to continue for the years beyond. States have to identify alternate sources to substitute the reduction in federal funding. This research project will identify alternate income sources for the construction and maintenance of Alabama highways.

PROJECT TASK DESCRIPTIONS
1- Identify alternate income sources for the construction and maintenance of Alabama highways and estimate their potential contribution to construction funding.
2- Assess the extent of increased use of alternative fuels, hybrid vehicles, and declining tax revenue on the funding for Alabama highway projects and decide whether or not a radical shift in funding sources is needed.
3- Investigate the possibility of the private sector sponsorship of and investment in Alabama highway projects.
4- Organize a one day workshop near the end of the project to share the research findings with ALDOT engineers.

MILESTONES AND DATES
Startup – January 2005
Tasks will be conducted concurrently until December 31, 2005

BUDGET
One-year project: UTCA $49,960, total budget $99,966

STUDENT INVOLVEMENT
A master’s student will work full time on this research. Her masters thesis will focus on alternate funding for Alabama highway projects. An undergraduate student will be selected from UAB’s honors program and will work part time on the project. The project will provide the students with an excellent research opportunity in financing and delivery systems for highway projects.

TECHNOLOGY TRANSFER ACTIVITIES
A one day workshop on alternate funding sources for ALDOT highways will be organized in December of 2005. ALDOT engineers and transportation professionals will be invited to attend the workshop. The objective of the workshop will be to share the research results with ALDOT engineers. Two papers will be submitted for possible publication in the proceedings of the TRB 2006 meeting, and in a peer review journal.

POTENTIAL BENEFITS OF PROJECT
This project will identify alternate funding sources for Alabama highway projects. An effective highway system—one that invites minimal congestion, lowers transportation costs, and minimizes social and environmental impacts—is key to economic prosperity in Alabama and to the quality of life of its citizens. The project could lead to expatiating the construction of highways in Alabama which will reduce improve public safety.

TRB KEY WORDS
Highway Finance, and Highway Delivery Systems.