

SENATE OF VIRGINIA

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COMMITTEE ASSIGNMENTS:
COMMERCE AND LABOR
GENERAL LAWS AND TECHNOLOGY
LOCAL GOVERNMENT
REHABILITATION AND SOCIAL SERVICES

November 1, 2010

The Honorable Robert F. McDonnell
Patrick Henry Building
1111 East Broad Street
Richmond, VA 23219

Dear Governor McDonnell:

I write in response to your letter dated September 9, 2010, requesting some ideas and input on how best to increase transportation funding in Virginia.

Let me first express my appreciation to you for reaching out to me and other legislators in this fashion. As you are well aware, aside from the economy, transportation is the most pressing issue facing the citizens of this district, the Northern Virginia region, and in many other parts of the Commonwealth. It is only by working together (the Governor and the General Assembly, House and Senate, Republicans and Democrats) that we will rise to meet the challenges posed by our growing transportation needs.

This past session, I sponsored SB 655, which would add historical horse racing, or instant racing, to the types of horse racing on which pari-mutuel wagering is permitted in Virginia. The bill provides that 42 percent of the proceeds would be distributed to the Commonwealth Transportation Fund for construction and other transportation related purposes. The fiscal impact statement estimated that this bill would generate approximately \$78 million in annual revenue to the state, of which approximately \$35 million annually would go to the Transportation Trust Fund. The bill passed the Senate by a 25-14 margin, but it was left in the General Laws Committee in the House of Delegates. Your strong support could help break the logjam in the House of Delegates and provide a new, modest annual revenue source for transportation without raising taxes.

Additionally, last session I sponsored SJ 99, requesting the Virginia Transportation Research Council to study alternatives to the public funding and operation of all or portions of the Commonwealth's interstate safety rest areas. This is an initiative for which you have previously expressed your support. The study is currently underway and the results should be released some time before year's end. Privatizing Virginia's rest areas has the potential to generate significant savings, as well as new revenue, for the Commonwealth. Once the findings of the study have been analyzed, and a privatization plan has been put in place, the money saved, as well as any new revenue generated, should be dedicated to transportation.

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Also, I support the idea of establishing an "infrastructure bank" to act as a centralized entity to provide financing for qualified infrastructure projects throughout the state and leverage resources to stimulate public and private investment in infrastructure. Funds could be used for the construction of roads, bridges, public transit, and passenger and freight rail, with the criteria being congestion relief and economic development. Special emphasis should be given to projects that support top state transportation priorities such as those projects that serve Dulles International Airport and the ports in the Hampton Roads region, Virginia's two largest job generators and our gateways to the global economy.

We should also consider changes to the state's revenue sharing program, which directs state funding to projects where localities are willing to share in the cost of highway construction. In this difficult economy, the state needs to support our localities when they are willing to make significant transportation infrastructure investments. It seems that the state could leverage scarce transportation dollars by removing or significantly increasing the maximum designation of \$1 million and substantially increasing total Commonwealth funds allocated in each fiscal year.

Finally, you should create a bipartisan blue ribbon transportation commission, first, to examine and report on the immediate and future transportation needs of the Commonwealth in this twenty-first century economy and, second, to recommend how best to generate the resources necessary to develop and maintain such a transportation system. It has been a generation since a Governor commissioned this kind of comprehensive and independent analysis of the state's transportation system and how best to fund it. A commission with that kind of stature, headed by highly-respected and well-qualified Virginia political and business leaders, would have a great deal of credibility with Virginians, be able to remove partisan politics from the discussion, and make serious recommendations on which you and the General Assembly, working together, can take action.

Once again, thank you for affording me the opportunity to share some of my ideas and input on this critical issue of transportation funding. I look forward to continuing to work with you on these and other proposals for the benefit of the citizens of the 33rd Senatorial District and throughout the Commonwealth.

Sincerely,



Mark Herring