Recent Voter Approved Programs

November 2011
INTERSTATE REHABILITATION PROGRAM (IRP)

November 2012
CONNECTING ARKANSAS PROGRAM (CAP)
TOTAL PROGRAM
75 Projects
458 Miles
$1.2 Billion

Complete: 11
Miles: 105
Amount: $237m

Construction: 10
Miles: 66
Amount: $210m

Scheduled: 54
Miles: 287
Amount: $823m
- Connects Arkansas
- Increases Capacity
- 10-Year Revenue Cap
Total Construction
31 Projects
181 Miles
$1.48 Billion

CA0609
I-430-Morgan
38 million
Complete: Mid-2016
Big Rock Interchange
When is it complete??
Big Rock Interchange
Complete: Mid 2015
Construction

- Bids Opened: September 17th
- Low Bid Amount: $98,404,049.69
- Construction Begins TBD
- Bridge closed for 6 months, rather than 2 years
Proposed Study Area

It is approximately 6.7 miles in length and extends through portions of Little Rock and North Little Rock.

The proposed study area extends:

• along I-30 from I-530 to the south and I-40 to the north
• along I-40 to its interchange with U.S. 67 in North Little Rock.
Traffic Management Plan
“It was the best of times, it was the worst of times, . . . .”

-A Tale of Two Cities

Charles Dickens
Highway Mileage

Arkansas ranks 12th at 16,416 miles.

Notes:
1. Highway miles are measured in centerline mileage.
2. Noncontiguous states not drawn to scale.
May 2014
State and Federal Revenues Per Highway Mile

Arkansas ranks 44th at $71,494.

Notes:
1. Highway miles are measured in centerline mileage.
2. Noncontiguous states not drawn to scale.
   May 2014
<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2013</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas &amp; diesel Consumption</td>
<td>2.087 billion</td>
<td>2.001 billion</td>
<td>86 million</td>
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<tr>
<td>Gas &amp; diesel Revenue</td>
<td>$454 million</td>
<td>$400 million</td>
<td>$54 million</td>
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<tr>
<td>Miles Traveled</td>
<td>32.4 billion</td>
<td>33.5 billion</td>
<td>1.1 billion</td>
</tr>
</tbody>
</table>
The Shrinking Highway Dollar

$100,000,000 Widening Program

$10,000,000 Overlay Program

$25,000,000 Bridge Program
Highway Trust Fund Tax Receipts

- Gasoline: 66%
- Diesel/Spec. Fuels: 25%
- Truck/Bus/Trailer: 7%
- Tires: 1.0%
- Heavy Vehicle Tax: 0.1%
## Quality of Infrastructure 2008-2009

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country/Economy</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Switzerland</td>
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<td>8</td>
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<td>9</td>
<td>United States</td>
<td>6.1</td>
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<td>10</td>
<td>Canada</td>
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<td>14</td>
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</tr>
<tr>
<td>25</td>
<td>United States</td>
<td>5.6</td>
</tr>
</tbody>
</table>
Federal Highway Trust Fund


Highway Account of the Highway Trust Fund (Includes FHWA, FMCSA & NHTSA)

Billions of Dollars

1/ Graph reflects actual data through 3/28/14 and end-of-month projections for the remainder of the fiscal year.
2/ Total receipt and outlay projections are based on FY 2015 President's Budget Baseline assumptions. Projected monthly receipt and outlay rates are based on historic averages.
3/ Range of anticipated shortfall: Green brackets denote the estimated window of when the anticipated shortfall will occur.

Source: FHWA
Average Monthly Household Expenditures

- Electricity/Gas: $159.00
- TV/Internet: $124.00
- Roads: $46.00
- Telephone: $161.00
Federal Highway Trust Fund
Needs vs. Revenue

$\text{CAP} = 180$ miles

$\text{IRP} = 450$ miles
Needs vs. Revenue

Total = 630 miles
3.8%
History

- **Highway Needs Study and Improvement Plan**
  - Last updated in February 2007

- **Previous Considerations**
  - Capital Improvement Needs
    - New Location
    - Capacity
    - Economic Development Connectors
    - Congressionally-designated High Priority Corridors

- **System Preservation Needs**
  - Interstate Rehabilitation
  - Reconstruction and Resurfacing
  - Shoulder Improvements
  - Bridge Improvements
History

- Limited or No Consideration
  - Maintenance Needs
  - Equipment
  - Facilities
  - Signing and Striping
  - Intelligent Transportation Systems

- Previous Considerations
  - Capital Improvement Needs
  - System Preservation Needs
Needs Assessment Update

• Initial Considerations
  – System Preservation Needs
  – Capacity Needs
  – Safety Needs
  – Maintenance Needs
MAP-21
Performance Management

Seven National Surface Transportation Goals:

✓ Safety
✓ Infrastructure Condition
✓ Congestion Reduction
✓ System Reliability
✓ Freight Movement and Economic Vitality
✓ Environmental Sustainability
✓ Reduced Project Delivery Delays
MAP-21
Funding Program Changes

Four Main Core Programs:

- National Highway Performance Program
- Surface Transportation Program
- Highway Safety Improvement Program
- Congestion Mitigation and Air Quality Program
Measures will be established for the States to assess:

- **Condition**
  - Pavement
  - Bridges

- **Performance**
  - Congestion
  - Reliability

- **Safety**
  - Serious injuries per vehicle mile travelled
  - Fatalities per vehicle mile travelled
  - Number of serious injuries
  - Number of fatalities
- **Condition A**: $12,000 to $65,000 per lane mile
- **Condition B**: $13,800 to $140,000 per lane mile
- **Condition C**: $85,000 to $465,000 per lane mile
- **Condition D**: $250,000 to $895,000 per lane mile
- **Condition F**: $640,000 to $1,500,000 per lane mile
Ranking
#74

Rutting: 0.34 inches
IRI: 213 inches / mile
Cracking: 42
PCI: 65
ADT: 170

Chicot

Excellent
Good
Fair
Poor

Arkansas Highway and Transportation Department
Worst 500 Miles on Non-APHN Network

209

2014
Ranking #54

Rutting: 0.29 inches  
IRI: 190 inches / mile

Cracking: 66  
PCI: 67

ADT: 7,600

Business

Excellent  Good  Fair  Poor
Ranking
#6

Rutting: 0.89 inches
IRI: 146 inches / mile
Cracking: 80
PCI: 78
ADT: 530

Excellent | Good | Fair | Poor
Ranking #5

Mississippi

Rutting: 0.39 inches
IRI: 200 inches / mile

Cracking: 92
PCI: 79

ADT: 330

Excellent  Good  Fair  Poor
Ranking
#2

Rutting: 0.56 inches  IRI: 320 inches / mile
Cracking: 63  PCI: 82
ADT: 180

Excellent  Good  Fair  Poor

Business
Ranking #1

Rutting: 0.69 inches  IRI: 240 inches / mile
Cracking: 84  PCI: 86
ADT: 80

Excellent  Good  Fair  Poor
<table>
<thead>
<tr>
<th>Highway System Type</th>
<th>Current Grade</th>
<th>Goal Grade</th>
<th>Cost Per Year for 10 Years to Reach Goal Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interstate System</td>
<td>B</td>
<td>A</td>
<td>$0*</td>
</tr>
<tr>
<td>National Highway System</td>
<td>C+</td>
<td>B</td>
<td>$80,000,000</td>
</tr>
<tr>
<td>Other Arkansas Primary Highway Network</td>
<td>C-</td>
<td>C+</td>
<td>$71,000,000</td>
</tr>
<tr>
<td>Non Arkansas Primary Highway Network</td>
<td>D-</td>
<td>C-</td>
<td>$155,000,000</td>
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<tr>
<td>Total For Arkansas State Highway System**</td>
<td></td>
<td></td>
<td>$306,000,000</td>
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</tbody>
</table>

*Financed through the Interstate Rehabilitation Program

**Plus Right-of-Way and Utility Relocation Costs
System Preservation - Bridges

District 4
Ozark Bridge

Before Paint

After Paint

01/18/2012
System Preservation - Bridges

District 6
White River Bridge Deck

Hydro Demolition

After Hydro Demolition
System Preservation - Bridges

Typical Failed Bridge Joint

Bridge Joint Replacement
## System Preservation - Bridges

<table>
<thead>
<tr>
<th>IMPROVEMENT</th>
<th>NUMBER BRIDGES</th>
<th>COST (Next 10 Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structurally Deficient and Posted Bridge Replacement</td>
<td>450</td>
<td>$760,000,000</td>
</tr>
<tr>
<td>Bridge Preservation Treatments ($19 M/year)</td>
<td>TBD</td>
<td>$190,000,000</td>
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<tr>
<td>*<em>Total</em></td>
<td>450</td>
<td><strong>$950,000,000</strong></td>
</tr>
</tbody>
</table>

*Plus Right-of-Way and Utility Relocation Costs
Capacity Needs - Congestion Relief

Arkansas State Highways

Level of Service

2025 Levels of Service (Based on 2010 HCM)
Includes CAP and 2013-2015 STIP Projects
LOS Represents Average Peak Hour Conditions

- LOS A (free-flow conditions) - 6878 miles
- LOS B (reasonably free-flow) - 5592 miles
- LOS C (flow speeds at or near free-flow) - 3206 miles
- LOS D (density increases quickly) - 307 miles
- LOS E (operations are at capacity) - 38 miles
- LOS F (total breakdown in flow) - 188 miles
Capacity Needs - Congestion Relief
RURAL

Freeway

Other NHS

Other APHN

$1.4 BILLION*

Miles

0  500  1,000  1,500  2,000  2,500  3,000  3,500

LOS A
LOS B
LOS C
LOS D
LOS E
LOS F

*Plus Right-of-Way and Utility Relocation Costs
Capacity Needs - Congestion Relief
URBAN

Freeway

Other NHS

Other APHN

$1.0 BILLION*

*Plus Right-of-Way and Utility Relocation Costs
Safety Needs

2013 Arkansas Strategic Highway Safety Plan Goal

$700 MILLION

Arkansas Roadway Fatalities

*preliminary estimate
Average Age of AHTD Equipment Fleet

Year

Average Age (Years)

2005
2006
2007
2008
2009
2010
2011
2012
2013
2014

10.52
10.58
10.87
10.71
11.00
11.22
11.39
11.65
11.96
12.22

10.50
10.60
10.70
10.80
10.90
11.00
11.10
11.20
11.30
11.40
11.50
11.60
11.70
11.80
11.90
12.00
12.10
12.20
12.30
12.40
Maintenance Needs - Equipment

- Equipment Management System
- Current Investment $12 M annually
$61 million to Achieve Optimum Age of Fleet

Plus Annual Expenditures
Maintenance Needs - Equipment

- Optimum Age
- 10 Year Cost $260 M
- 3 Proposals Developed
AHTD EQUIPMENT NEEDS ANALYSIS
(Average Age 10 Year Projection of Equipment Fleet)

- Historical Average Age Progression
- 10 Year Average Age/Funding To Remain Static
- $15M/Yr. @ 10 Yrs.
- $18M/Yr. @ 10 Yrs.
- $30M @ 1 Yr. plus $15M/Yr.
- 1 Year Lump Sum Funding To Achieve 2005 Average Age
New Belly Plow
Maintenance Needs:
Facilities – Resident Engineers Office

Conway RE #84
Maintenance Needs:
Facilities – Area Headquarters

Lawrence County (District 10)
## Maintenance Needs - Facilities

<table>
<thead>
<tr>
<th>FACILITY</th>
<th>NUMBER</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Headquarters(^{(1)}), Sign Shop, Central Shop</td>
<td>3</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>District Headquarters (^{(5(1) &amp; 6)})</td>
<td>2</td>
<td>$17,500,000</td>
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<tr>
<td>Resident Engineer Offices</td>
<td>10</td>
<td>$4,800,000</td>
</tr>
<tr>
<td>Area Headquarters</td>
<td>10</td>
<td>$24,000,000</td>
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<tr>
<td><strong>Total(^{(2)})</strong></td>
<td>25</td>
<td><strong>$56,300,000</strong></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Needs Assessment soon to be underway  
\(^{(2)}\) Plus Property Costs
Maintenance Needs: Intelligent Transportation Systems (ITS)

Traffic Management Center (TMC)

- Collect and Disseminate Traffic Information
- Monitor and Operate ITS Devices
- Coordinate with Other Agencies
- Could Serve as Statewide Emergency Operations Center
Dynamic Message Signs

Installed in strategic locations to display:

• Travel Times

• Traffic Advisories
  ✓ Unplanned Incidents
  ✓ Maintenance or Construction Activities

• Weather Advisories/Alerts

• Morgan Nick/AMBER Alerts

Maintenance Needs: Intelligent Transportation Systems (ITS)
Traffic Cameras

- Observe Traffic Flows
- Used in Conjunction with Traffic Monitoring to Verify Incidents Affecting Traffic Flow
- Incident Management
- Monitored from TMC
- Public Access via Web (view only)
- Pan/Tilt/Zoom Access for Other Organizations
Highway Advisory Radio

- Disseminate more detailed information than Dynamic Message Sign:
  - ✔ Cause of traffic problem
  - ✔ Advise Alternate Routes
  - ✔ Expected Length of Delay
  - ✔ Morgan Nick/AMBER Alerts with detailed information
Road Weather Information Systems (RWIS)

- Collects Real Time Weather Information
- Placed at Strategic Locations
- Data Collected:
  - Air Temperature
  - Wind Speed & Direction
  - Precipitation Type
  - Visibility & Fog Detection
  - Relative Humidity
  - Pavement Surface Temperature and Condition (Wet, Dry, Frozen)
  - Subgrade Temperature

- Management Can Use RWIS Data for Winter Weather Treatment Plans
Maintenance Needs: Intelligent Transportation Systems (ITS)

**Bridge De-icing Systems**

- Applies De-icing Chemical to Bridge Deck
- Works with Data from RWIS
- Automatic or Remote Activation by TMC
- Can be Installed During Construction or Retrofitted

Bridge Deck with De-Icing System
## Maintenance Needs: Intelligent Transportation Systems (ITS)

<table>
<thead>
<tr>
<th>EQUIPMENT</th>
<th>NUMBER</th>
<th>COST</th>
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</thead>
<tbody>
<tr>
<td>Traffic Management Center (Little Rock)</td>
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<td>$5,000,000</td>
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<tr>
<td>Dynamic Message Signs</td>
<td>50</td>
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<tr>
<td>Traffic Cameras</td>
<td>250</td>
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<td>Highway Advisory Radios</td>
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<td>Roadway Weather Information Systems</td>
<td>100</td>
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<tr>
<td>Bridge De-Icing Systems</td>
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<td><strong>Total</strong></td>
<td>621</td>
<td><strong>$27,000,000</strong></td>
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### Summary of Needs

<table>
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<tr>
<th>NEEDS CATEGORY</th>
<th>COST (x $1 M)</th>
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<td><strong>SYSTEM PRESERVATION</strong></td>
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<tr>
<td>Pavement</td>
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<td>Bridges</td>
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<td><strong>CAPACITY</strong></td>
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<td><strong>TOTAL</strong></td>
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Initial Recommendations for 2014-2015 Budget

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<th>CATEGORY</th>
<th>2013-2014 BUDGET</th>
<th>2014-2015 PROPOSED BUDGET</th>
<th>DIFFERENCE x $1 Million</th>
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<tr>
<td>EQUIPMENT</td>
<td>$ 12.0</td>
<td>$ 18.0</td>
<td>$ 6.00</td>
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<td>ROUTINE MAINTENANCE (Materials)</td>
<td>$ 31.0</td>
<td>$ 40.0</td>
<td>$ 9.0</td>
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<td>FACILITIES</td>
<td>$ 3.5</td>
<td>$ 5.6</td>
<td>$ 2.1</td>
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<tr>
<td>ITS</td>
<td>$ 0.0</td>
<td>$ 2.7</td>
<td>$ 2.7</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$ 46.5</strong></td>
<td><strong>$ 66.3</strong></td>
<td><strong>$ 19.8</strong></td>
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</table>

Note: Investments for Congestion Relief, Pavement and Bridge System Preservation, and Safety to be Considered in Development of Next STIP.
Needs Assessment Update

• Subsequent Considerations
  – Capital Improvements for Economic Development
    • New Location Routes
    • Major Widening
    • New Interchanges
    • Congressionally-Designated High Priority Corridors
Needs Assessment Update

- Capital Improvements for Economic Development
  - Four Lane Grid System
    - Congressionally Designated High Priority Corridors
    - Future Interstates
    - Other
    - Remaining Four-Lane Grid System Widening
    - Other Regional Connections
    - Economic Development Connections
  - New Location Routes/New Interchanges
  - Other Major Widening
## Summary of Remaining Cost

Capital Improvements for Economic Development

<table>
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<tr>
<th>IMPROVEMENT CATEGORY</th>
<th>COST (x $1 M)</th>
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<tbody>
<tr>
<td>Four-Lane Grid System</td>
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<tr>
<td>High Priority Corridors (Future Interstates)</td>
<td>6,250</td>
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<tr>
<td>High Priority Corridors (Other)</td>
<td>2,250</td>
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<tr>
<td>Remaining Four-Lane Grid</td>
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<td>Other Regional Connections</td>
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<tr>
<td>Economic Development Connections</td>
<td>300</td>
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<tr>
<td>New Location Routes / New or Modified Interchanges</td>
<td>820</td>
</tr>
<tr>
<td>Other Major Widening</td>
<td>230</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>12,350</strong></td>
</tr>
</tbody>
</table>
# Improvements vs. Revenues

## 10 Year Projection

<table>
<thead>
<tr>
<th>ESTIMATED FEDERAL-AID AND STATE REVENUE</th>
<th>$3,555</th>
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</thead>
<tbody>
<tr>
<td>NEEDS</td>
<td>AMOUNT</td>
</tr>
<tr>
<td>PAVEMENT</td>
<td>$3,060</td>
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<tr>
<td>BRIDGES</td>
<td>$1,102</td>
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<tr>
<td>CAPACITY</td>
<td>$2,880</td>
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<tr>
<td>SAFETY</td>
<td>$700</td>
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<tr>
<td>EQUIPMENT</td>
<td>$180</td>
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<tr>
<td>FACILITIES</td>
<td>$62</td>
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<tr>
<td>ITS</td>
<td>$27</td>
</tr>
<tr>
<td><strong>SUB-TOTAL</strong></td>
<td><strong>$8,011</strong></td>
</tr>
<tr>
<td>CAPITAL IMPROVEMENT</td>
<td>AMOUNT</td>
</tr>
<tr>
<td>FOUR LANE GRID SYSTEM</td>
<td>$11,300</td>
</tr>
<tr>
<td>NEW LOCATION / NEW OR MODIFIED INTERCHANGES</td>
<td>$820</td>
</tr>
<tr>
<td>OTHER MAJOR WIDENING</td>
<td>$230</td>
</tr>
<tr>
<td><strong>SUB-TOTAL</strong></td>
<td><strong>$12,350</strong></td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>$20,361</strong></td>
</tr>
<tr>
<td><strong>SHORTFALL</strong></td>
<td>$(16,806)</td>
</tr>
</tbody>
</table>
Strategies to Sustain/Increase Revenue

ALTERNATIVE FUEL BILL

• Uniformity in Tax Rate - Level Playing Field
  - Gasoline and Diesel Fuels
  - Equivalent Rate for Natural Gas Fuels

• Progression of Tax Rates
  - July 1, 2014  5¢ per gallon (current rate)
  - July 1, 2015  8¢ per gallon
  - July 1, 2016  11¢ per gallon
  - July 1, 2017  17¢ per gallon
  - July 1, 2018  21½¢ per gallon on compressed natural gas fuels
                 22½¢ per gallon on liquefied natural gas fuels
                 21½¢ per gallon on other alternative fuels
Strategies to Sustain/Increase Revenue

### WITH Alternative Fuel Tax Equivalent

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Percent Increase Consumption</th>
<th>Consumption With &quot;Gallon Equivalent&quot; Change</th>
<th>Progressive New Tax Rates</th>
<th>Total Alternative Fuel Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0%</td>
<td>697,879</td>
<td>$0.050</td>
<td>$34,894</td>
</tr>
<tr>
<td>2016</td>
<td>30%</td>
<td>907,243</td>
<td>$0.080</td>
<td>$72,579</td>
</tr>
<tr>
<td>2017</td>
<td>30%</td>
<td>1,179,416</td>
<td>$0.110</td>
<td>$129,736</td>
</tr>
<tr>
<td>2018</td>
<td>30%</td>
<td>1,533,241</td>
<td>$0.170</td>
<td>$260,651</td>
</tr>
<tr>
<td>2019</td>
<td>30%</td>
<td>1,993,213</td>
<td>$0.215</td>
<td>$428,541</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>926,401</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Change in equivalent rate from 100 cubic feet per 1 gallon of gasoline to 125 cubic feet per 1 gallon of gasoline.

### WITHOUT Alternative Fuel Tax Equivalent

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Percent Increase Consumption</th>
<th>Consumption Without &quot;Gallon Equivalent&quot; Change</th>
<th>Existing Rates</th>
<th>Total Alternative Fuel Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0%</td>
<td>872,349</td>
<td>$0.050</td>
<td>$43,617</td>
</tr>
<tr>
<td>2016</td>
<td>30%</td>
<td>1,134,054</td>
<td>$0.050</td>
<td>$56,703</td>
</tr>
<tr>
<td>2017</td>
<td>30%</td>
<td>1,474,270</td>
<td>$0.050</td>
<td>$73,713</td>
</tr>
<tr>
<td>2018</td>
<td>30%</td>
<td>1,916,551</td>
<td>$0.050</td>
<td>$95,828</td>
</tr>
<tr>
<td>2019</td>
<td>30%</td>
<td>2,491,516</td>
<td>$0.050</td>
<td>$124,576</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>394,437</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net Increase WITH $ 531,964
Index Motor Fuel Excise Taxes

- Long Term Solution
  - Protects Purchasing Power
  - 2¢ per Gallon per Year Cap
  - “Road User” Based
  - Utilizes Existing Tax Collection System

### Additional Net Revenue Generated 2016-2025 (in millions)

<table>
<thead>
<tr>
<th></th>
<th>Existing Flat Tax</th>
<th>Indexed</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>AHTD</td>
<td>$2,413</td>
<td>$3,140</td>
<td>$727</td>
</tr>
<tr>
<td>Counties</td>
<td>$517</td>
<td>$673</td>
<td>$156</td>
</tr>
<tr>
<td>Cities</td>
<td>$517</td>
<td>$673</td>
<td>$156</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,447</strong></td>
<td><strong>$4,486</strong></td>
<td><strong>$1,039</strong></td>
</tr>
</tbody>
</table>
Road User Related State Tax Revenue
FY 2013
(in millions)

- Retail Tire Sales: $13.1 million, 1%
- 4.5% Sales Tax on Auto Repair, Parts, and Services: $98.4 million, 10%
- 4.5% Sales Tax on Used Vehicles: $93.7 million, 10%
- 4.5% Sales Tax on New Vehicles: $154.9 million, 16%
- Gasoline Tax: $278.6 million, 29%
- Diesel Tax: $121.3 million, 13%
- Natural Gas Severance Tax: $47.7 million, 5%
- Miscellaneous Revenues*: $37.0 million, 4%
- Other Vehicle Registration: $10.5 million, 1%
- Heavy Truck Registration: $53.9 million, 6%
- Automobile & Pickup Registration: $52.3 million, 5%

*Miscellaneous Revenues includes: LP/CNG, Oversize/Overweight Permits, Title Transfer Fees, Driver Search Fees, Interest, Other Fees.
Strategies to Sustain/Increase Revenue

- REVENUE TRANSFER
  - Long Term Solution
    - Not a Tax Increase
    - Transfer of Revenue on “Road User” Items
  - Progression of Transfer

### Revenue from Transferring 6% of the Gross Sales and Use Tax (Representing Road-User Related Sales and Use Tax) and the 4.5% Sales and Use Tax on the Sale of New and Used Vehicles

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AHTD</td>
<td>$23</td>
<td>$47</td>
<td>$72</td>
<td>$98</td>
<td>$126</td>
<td>$155</td>
<td>$185</td>
<td>$217</td>
<td>$250</td>
<td>$285</td>
<td>$1,458</td>
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<tr>
<td>Counties</td>
<td>$ 5</td>
<td>$10</td>
<td>$15</td>
<td>$21</td>
<td>$27</td>
<td>$33</td>
<td>$40</td>
<td>$47</td>
<td>$54</td>
<td>$61</td>
<td>$313</td>
</tr>
<tr>
<td>Cities</td>
<td>$ 5</td>
<td>$10</td>
<td>$15</td>
<td>$21</td>
<td>$27</td>
<td>$33</td>
<td>$40</td>
<td>$47</td>
<td>$54</td>
<td>$61</td>
<td>$313</td>
</tr>
<tr>
<td>Total</td>
<td>$33</td>
<td>$67</td>
<td>$102</td>
<td>$140</td>
<td>$180</td>
<td>$221</td>
<td>$265</td>
<td>$311</td>
<td>$358</td>
<td>$407</td>
<td>$2,084</td>
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</tbody>
</table>
### Effects of Revenue Transfer Scenarios on General Revenues and Gross Revenues*

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected General Revenue After Transfers</th>
<th>Projected Existing Gross Highway Revenue</th>
<th>Projected Gross Highway Revenue After Transfers</th>
<th>Projected General Revenues Before Transfers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>5,673</td>
<td>5,924</td>
<td>6,214</td>
<td>6,340</td>
</tr>
<tr>
<td>2012</td>
<td>5,924</td>
<td>6,214</td>
<td>6,450</td>
<td>6,555</td>
</tr>
<tr>
<td>2013</td>
<td>6,214</td>
<td>6,450</td>
<td>6,615</td>
<td>6,700</td>
</tr>
<tr>
<td>2014</td>
<td>6,450</td>
<td>6,615</td>
<td>6,792</td>
<td>6,851</td>
</tr>
<tr>
<td>2015</td>
<td>6,615</td>
<td>6,792</td>
<td>6,919</td>
<td>6,972</td>
</tr>
<tr>
<td>2016</td>
<td>6,792</td>
<td>6,919</td>
<td>7,065</td>
<td>7,126</td>
</tr>
<tr>
<td>2017</td>
<td>6,919</td>
<td>7,065</td>
<td>7,212</td>
<td>7,272</td>
</tr>
<tr>
<td>2018</td>
<td>7,065</td>
<td>7,212</td>
<td>7,356</td>
<td>7,416</td>
</tr>
<tr>
<td>2019</td>
<td>7,212</td>
<td>7,356</td>
<td>7,426</td>
<td>7,486</td>
</tr>
<tr>
<td>2020</td>
<td>7,356</td>
<td>7,426</td>
<td>7,468</td>
<td>7,528</td>
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<tr>
<td>2021</td>
<td>7,426</td>
<td>7,468</td>
<td>7,502</td>
<td>7,560</td>
</tr>
<tr>
<td>2022</td>
<td>7,468</td>
<td>7,502</td>
<td>7,544</td>
<td>7,600</td>
</tr>
<tr>
<td>2023</td>
<td>7,502</td>
<td>7,544</td>
<td>7,588</td>
<td>7,644</td>
</tr>
<tr>
<td>2024</td>
<td>7,544</td>
<td>7,588</td>
<td>7,618</td>
<td>7,672</td>
</tr>
<tr>
<td>2025</td>
<td>7,588</td>
<td>7,618</td>
<td>7,644</td>
<td>7,700</td>
</tr>
<tr>
<td>2026</td>
<td>7,618</td>
<td>7,644</td>
<td>7,668</td>
<td>7,712</td>
</tr>
<tr>
<td>2027</td>
<td>7,644</td>
<td>7,668</td>
<td>7,688</td>
<td>7,736</td>
</tr>
<tr>
<td>2028</td>
<td>7,668</td>
<td>7,688</td>
<td>7,700</td>
<td>7,752</td>
</tr>
<tr>
<td>2029</td>
<td>7,688</td>
<td>7,700</td>
<td>7,712</td>
<td>7,760</td>
</tr>
<tr>
<td>2030</td>
<td>7,700</td>
<td>7,712</td>
<td>7,726</td>
<td>7,772</td>
</tr>
</tbody>
</table>

*Data projections include 2013 Legislative Tax Cuts*
## Strategies to Sustain/Increase Revenue

$250 - $300 million to AHTD

<table>
<thead>
<tr>
<th>FUNDING SOURCE</th>
<th>TOTAL GROSS AMOUNT</th>
<th>NET TO AHTD</th>
<th>NET TO COUNTIES</th>
<th>NET TO CITIES</th>
</tr>
</thead>
</table>
| Transfer Sales Tax (4.5%) on:  
  New Vehicles       | $154.9 M           | $104.8 M    | $22.5 M        | $22.5 M      |
| Used Vehicles      | $93.7 M            | $63.4 M     | $13.6 M        | $13.6 M      |
| Auto Repair, Parts and Service | $99.0 M          | $67.0 M     | $14.4 M        | $14.4 M      |
| Retail Tire Sales  | $12.8 M            | $8.7 M      | $1.9 M         | $1.9 M       |
| **Total**         | **$360.4 M**       | **$243.9 M**| **$52.4 M**    | **$52.4 M**  |
| Motor Fuel Tax Increase Per Gallon (22¢) | $440.2 M | $298.9 M | $64.0 M | $64.0 M |
| Transfer Sales Tax (4.50%) on:  
  New Vehicles       | $154.9 M           | $104.8 M    | $22.5 M        | $22.5 M      |
| Used Vehicles      | $93.7 M            | $63.4 M     | $13.6 M        | $13.6 M      |
| Motor Fuel Tax Increase Per Gallon (12¢ - September - May) (Summer Fuel Tax Holiday) | $184.4 M | $125.2 M | $26.8 M | $26.8 M |
| **Total**         | **$433.0 M**       | **$293.4 M**| **$62.9 M**    | **$62.9 M**  |
| 1% General Sales Tax | $472.1 M           | $319.6 M    | $68.5 M        | $68.5 M      |
| Remove Sales Tax Exemption on Motor Fuels | $247.6 M | $167.6 M | $35.9 M | $35.9 M |
| Transfer Sales Tax on New and Used Vehicles | $248.6 M | $168.2 M | $36.1 M | $36.1 M |
| **Total**         | **$496.2 M**       | **$335.8 M**| **$72.0 M**    | **$72.0 M**  |
Supreme Court 1992 Decision
- Only Congress has Authority to Regulate Interstate Commerce
- States Cannot Require Remote Retailers to Collect Sales and Use Taxes

Marketplace and Internet Fairness Act
- Introduced in Senate on July 15, 2014
- Allows Enforcement of State and Local Sales Tax Laws
- Level the Playing Field with Main Street Businesses
Marketplace and Internet Fairness Act

– State Tax Revenue Increased
  • $11.4 Billion Annually Nationwide
  • $114 Million Annually to Arkansas

– Does **NOT** Create New Taxes or Increase Existing Taxes
Strategies to Sustain/Increase Revenue

- New Excise Tax on Wholesale Price of Motor Fuels ($37 million to AHTD for every 1%)

- Increase Vehicle Registration and License Fees ($16 million to AHTD for every $10 increase)

- State Highway System Reduction

- Vehicle Miles Traveled (VMT) Tax

- Public-Private Partnerships and Tolling
Live Traffic Conditions
Construction Zones
Alternate Routes
Rest Areas
Welcome Centers
Park-and-Ride Lots
Weight Restricted Roads & Bridges
Weather Radar
Live Traffic Cameras (Coming Soon)