



HIGHWAY TRUST FUND SHORTFALL LOOMS

The Federal Highway Trust Fund (HTF) Highway Account began the year with approximately \$10 billion in cash on hand. As the summer construction season kicked into gear and transportation revenues continued on a steady decline, outlays from the surface transportation program occurred at a greater pace than receipts coming in. As a result, the cash balance dropped significantly, yielding only \$5.8 billion in April.

Based on the current economic situation and trends, the U.S. Department of Transportation (DOT), Federal Highway Authority (FHWA) estimates by August 2009 there will once again be insufficient funds in the Highway Account to cover bills when they are presented for payment.

Since the HTF shortfall occurred last summer, the FHWA and Department of Treasury have actively managed cash balances in the Highway Account and have worked to implement plans to better manage another shortfall.

FHWA and Treasury are constantly monitoring the account balances and have determined a minimum \$1 billion balance is needed in the Highway Account and \$4 billion across all accounts to manage cash flow based on financial history.

Once the Highway Account falls to a \$1 billion cash balance, FHWA will begin making weekly payments.

A determination was also made that it is crucial to provide Congress and the states more time to plan for a second shortfall. Plans were put in place to notify both groups approximately 8 weeks prior to a \$1 billion cash balance in the HTF. This would provide 8 weeks for states to adjust to receiving modified payments.

The DOT has begun the Congressional notification process!

U.S. Transportation Secretary Ray LaHood told

members of the House Transportation Appropriations Subcommittee that the Highway Account is expected to reach a zero balance possibly as soon as the middle of this summer. LaHood estimates an additional \$5-7 billion will be needed just to maintain the level of highway investment promised to states in the FY 2009 appropriations bill, and an additional \$8-10 billion to get through FY 2010 at current funding levels.

There is wide agreement that something must be done, but little consensus on the solution.

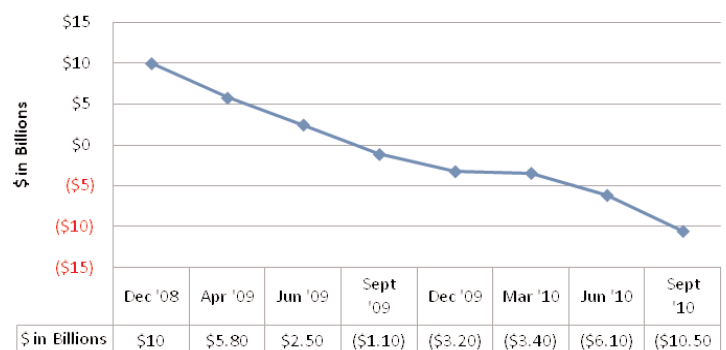
While Secretary LaHood and the Obama Administration would prefer to offset the infusion to the Highway Account with spending cuts elsewhere in the budget and “innovative” funding measures; Subcommittee Chairman John Olver (D-Mass.) and others are advocating to increase the federal gas tax.

CRAM will continue to monitor this debate as the Trust Fund fix may be tied to yet unknown reforms.

Secretary LaHood has called for any solution to be “tied to reform of the current highway program to make it more performance-based and accountable, such as improving safety and improving the livability of our communities.”

Key Senators have asked for a meeting with the White House to determine what these reforms will be and to discuss solutions to the short and long term transportation funding crisis.

Highway Account of the Highway Trust Fund
Cash Balance Projections FY 2009-2010



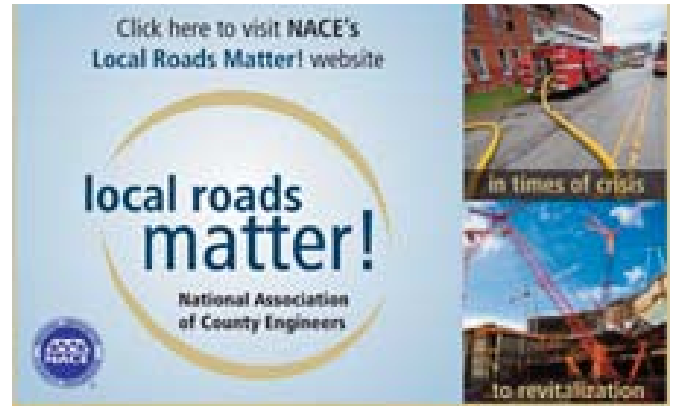
NACE LAUNCHES LOCAL ROADS MATTER! CAMPAIGN

The National Association of County Engineers (NACE) has launched its “Local Roads Matter!” campaign to highlight the importance of “Local Roads” to our nation’s transportation system.

This effort will be instrumental as we strive to keep the needs of the local road and bridge system in the forefront of the reauthorization debate in Washington. Several members of the House Transportation and Infrastructure (T&I) Committee, including Cong. Mark Schauer (D-Calhoun) and Cong. Candice Miller (R-Macomb), are supporting initiatives to improve Michigan’s donor status.

Efforts are also underway to restore funding for the Rural High Risk Highway program and to ensure that new programs are not implemented at the detriment of local road agencies.

This campaign provides another important mechanism to help elected officials understand that local roads do matter. A link to the NACE Local Roads Matter! Campaign is available from the CRAM Web site.



“County roads are a vital component of this country’s transportation system. Every trip begins or ends on a local road.”

***Sue Miller, PE
Immediate Past President
National Association of County Engineers***

**ROBERT P. HOEPFNER, MACOMB
COUNTY HIGHWAY ENGINEER WAS
SELECTED TO REPLACE ROBERT
SAWICKI ON THE CRAM BOARD.**

BRIDGE SCOUR REMINDER

TO : All County Road Commissions
FROM : Wayne A. Harrall – Kent County Road Commission
RE: Level 1 and Level 2 Bridge Scour Evaluations

As the CRAM representative on the Scour Critical Bridge Committee I am writing to remind all County Road Commissions that Level 1 and/or Level 2 Scour Evaluations must be completed on all your Bridges by December 31, 2009.

At the May 13, 2009 Scour Critical Bridge Committee meeting Jon Nekritz (FHWA) said that FHWA will request that MDOT hold Federal Funding on any Local Agency that is in non-compliance with this Bridge Scour Evaluation requirement. I reported on the Scour Critical Meeting during the Engineering Committee meeting on June 17, 2009 at the UP Roadbuilders Conference in Sault Ste Marie.

If you have questions regarding this important Local Agency Issue, feel free to contact me through e-mail at: wharrall@kentcountyroads.net or by phone at 616.242.6914.

You may also contact David A. Juntunen (MDOT Engineer of Bridge Operations) at Juntunend@michigan.gov or by phone at 517.322.5688

“THE CRUMBLING OF AMERICA”

On Monday, June 22, 2009, "The Crumbling of America," a documentary on the state of the country's infrastructure, premiered on the History Channel. Michigan's deteriorating roads system was prominently showcased for a national audience.

In a twist of irony, Michigan, the birthplace of the modern road building industry, is now known for its potholes and reverting paved roads back to gravel.

Documentary writer Henry Schipper told the Lansing-based MIRS News Service that he “regrets that more footage wasn't taken in the Mitten State and that more time wasn't dedicated to how bad the state's roads are. However, the feature needed to keep its national focus.”

Schipper told MIRS that they “could have done the whole show in Detroit. The most extreme problems with infrastructure that cropped up nationally came from Michigan and Detroit in particular, but we couldn't spend too much time with it or our viewers would have discounted it as, 'Oh, that's just Detroit.'” (MIRS Capitol Capsule, Monday, June 22, 2009)

The program highlights the national crisis facing America's infrastructure; from roads and bridges, to dams, levees, aqueducts and the energy grid. Alarms are sounding across our nation as major roads and bridges collapse, levees breach and a major blackout occurs due to a minor software problem.

The program ends with a call to action and should be required viewing for all public officials. For future viewing opportunities, check your local listings or visit the History Channel Web site at <http://www.history.com/shows.do?action=detail&episodeId=452430>.

U.P. ROAD BUILDERS SCHOLARSHIP FUND MEMO

RE: U.P. Road Builders Scholarship Fund Auction – Fund raiser Results

Dear CRAM Members:

I would like to thank all of you for your continued support of the UP Road Builders Scholarship Fund. Once again everyone in attendance has made the fundraising event a huge success.

The following is a tabulation of the Scholarship Income for the 2009 UP Road Builders Summer meeting.

Income

Slot Tournament	\$ 400
Auction	\$3,135
Donation	\$ 200
Hats, Aprons & Mugs	\$ 305
Grand Total	\$4,040

As stated at the meeting, if anyone knows of a 5th year senior majoring in Civil Engineering or Surveying at Michigan Technological University with a GPA of 2.5 or higher do not hesitate to contact any of the Scholarship Board members for information on how they can be considered for one of the scholarships.

If you have any questions or need additional information please call me at this office at (906)482-3600

Very truly yours,

U.P. ROAD BUILDERS SCHOLARSHIP FUND

Kevin P. Harju, P.E.

President



Political Action Committee

CRAM RUSH-PAC GOLF OUTINGS OFF TO A SWINGING START



Political Action Committee

Everyone had a great time at the Southwest Golf Outing on Wednesday, June 10, at the L.E. Kaufman Golf Course in Wyoming. Thank you to all of the sponsors and golfers! Also, thank you to Jon Rice and Diane Martin and their team at the Kent County Road Commission for all of their hard work to put this event together.



Kent County Road Commission employees Carla Benison and Mike Bitely demonstrate the value of teamwork as they donate their time to make the outing a success.

AND THE WINNERS ARE:



The winning team (from left to right: Tim Murphy, Brad Lamberg, Dick Damore, and Ed Noyola) poses with Kent County's Diane Martin after finishing the Southwest Michigan Golf Outing with an impressive 18 under round.

Mark Your Calendars For These Golf Outings:

Southern Mid-Michigan Golf Outing - Friday - July 31
Cascades Golf Course & Cascades Manor House in Jackson - Hosted by Jackson
Registration has been mailed and is posted on CRAM's Web site!
If you have any questions, please call the CRAM office or e-mail sandy@localroads.net.

Southeast Golf Outing - Friday - August 7
Selfridge AFB Golf Course in Harrison Township - Hosted by Macomb
Registration has been mailed and is posted on CRAM's Web site!
If you have any questions, please contact Larry Miller or Bobette Watson at AEW (586.726.1234) or by e-mail lmiller@aewinc.com.

Northern Golf Outing - Tuesday - September 8
Black Bear in Vanderbilt - Hosted by Cheboygan
Registration will be forthcoming.



Chef Bruce Bitely was one of the many people tending to the appetites of golfers who were hungry for improved road funding.

THANK YOU FOR ENTERING YOUR MIS/CRAM DATA!

As has been a tradition, the CRAM Office received plenty of responses related to people complaining about being listed as incomplete with respect to MIS/CRAM data. This year, however, also brought some unexpected developments.

Thank you to those counties who entered the data, or made arrangements to do so, since the June Edition. Two-thirds of the counties listed as not having entered their 2008 Act 51 information have done so, and nearly half of those entered 2009 General information.

While MIS/CRAM is an imperfect system, it is still a valuable tool that allows road commissions to compare themselves to their peers. The thirty or so minutes needed to enter the data is minor when compared to the amount of time that is saved over collecting this data by survey each time we have a need for it.

Currently the Finance and Human Resource Committee has a subcommittee working on MIS/CRAM. If you have comments or suggestions for the program—get involved. You can send your thoughts and ideas to teldred@localroads.net and they will be forwarded to the appropriate persons.

Important Notice Regarding Internet Explorer 8 and www.miscram.org

Microsoft has recently been pushing out Internet Explorer 8 as an automatic update to computers capable of running it.

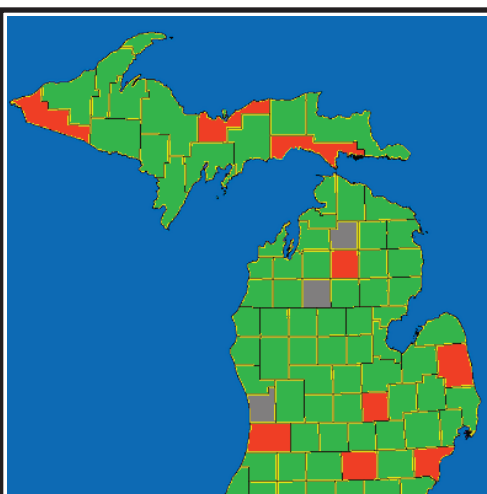
This new browser version will cause the MIS/CRAM reporting component to hang up on first use. This problem is not permanent, simply follow the steps below:

When the reporting component opens, you will be prompted to install Seagate Software's Crystal Smart Viewer add-on. After running that program, you will again be prompted to install another add-on called Crystal Web Report Broker. Both of these add-ons need to be installed for the page to display correctly.

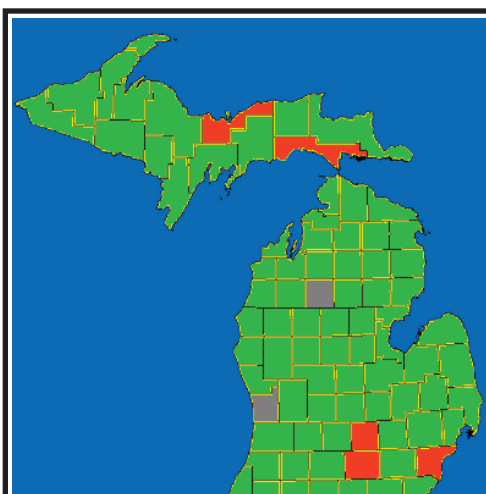
After doing so you may see an "HTTP 500 Server Error" message. You will need to click back and then click "submit" again (your query should remain intact.)

After three or four back button/submit combos, and giving the add on permission, the page will load and you will be able to view your reports.

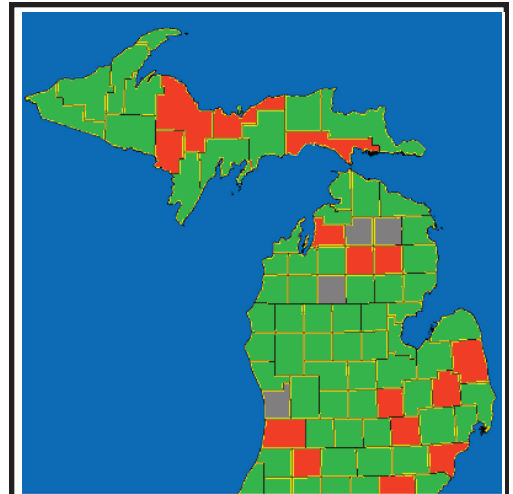
The images below reflect the status of each county as of the morning of July 1, 2009. Counties that are green have entered their data, those which are grey called to request additional time for entry, and those in red have done neither. If you have questions related to MIS/CRAM, contact Tom Eldred at the CRAM Office by phone at 517.482.1189 ext. 10 or by e-mail to teldred@localroads.net



Nine counties have yet to enter 2008 Act 51 data.



Seventy-eight counties have entered 2008 general, wage, and benefit data.



Fifteen counties have yet to enter 2009 general, wage, and benefit data.

WHAT COMES AFTER SAFETEA-LU?

Reauthorization proposals are currently being debated in Washington DC as the current highway spending bill, SAFETEA-LU, is set to expire September 30. Until late June, the one thing that remained consistent was the goal to complete the bills by August recess, but now even this point is contentious.

The Obama Administration has called for an 18-month extension of the current federal surface transportation program to “preserve the solvency of the Highway Trust Fund (HTF).” The Administration did not indicate if investment levels would change or why a multi-year reauthorization should be shelved while debating preservation of the HTF.

Bipartisan leadership of the House Transportation and Infrastructure (T&I) Committee is moving forward and has released a blueprint of their \$450 billion reauthorization proposal. The bill would extend the federal surface transportation program by six years, allocate \$337.4 billion for federal highways (an increase of \$110 billion), \$99.8 billion for transit (an increase of \$47.3 billion), and \$12.6 billion for safety programs. The T&I proposal would also provide \$50 billion for high-speed passenger rail initiatives from outside of the HTF.

The proposal outlined by T&I Committee Chairman James Oberstar (D-MN) would “transform federal surface transportation from an amalgamation of prescriptive programs to a performance-based framework for intermodal transportation development.” The objectives are to: reduce fatalities, injuries, and congestion, provide transportation options, limit negative effects on the environment, and promote public health and livability in communities.

The Oberstar proposal would:

Consolidate the existing Interstate Maintenance, National Highway System (NHS), and Highway Bridge Programs into a new “Critical Asset Investment” Program. New capacity would not be eligible under this program and performance standards would be imposed to ensure highways and bridges on the NHS are in a state of

good repair.

Establish a “Metropolitan Mobility and Access” Program to reduce congestion and improve mobility. Funds would be distributed based on population and travel time delay and would be eligible for highway and transit capacity improvements.

Combine the existing Projects of National and Regional Significance and the trade corridors and border infrastructure programs into a new discretionary “Projects of National Significance” Program to target large, high cost transportation projects. The program would make funds available for highway, transit and freight rail projects.

Create a “National Infrastructure Bank” to provide credit assistance, loan guarantees and lines of credit to finance infrastructure projects. The infrastructure bank would support large-scale capital projects from the bill’s Metropolitan Mobility, Projects of National Significance, and high speed rail initiatives.

Initiate a new “Freight Improvement” Program to make goods movement more efficient and reliable.

Reform the existing transportation planning process to focus on reducing greenhouse gas emissions and promote land use planning and livability. Unlike the House climate change bill, the T&I proposal does not give the Environmental Protection Agency authority over transportation plans.

Establish an “Office of Livability” in the Federal Highway Administration (FHWA) to: “provide[s] leadership to expand surface transportation options; advance sustainable modes of transportation including transit, walking, and bicycling; enhance integrated planning to support the creation of livable communities; and serve as a clearinghouse of information and statistics related to livability and sustainability.”

Call for an “Office of Expedited Project Delivery” (OEPD) in both FHWA and the Federal Transit Administration (FTA) to remove obstacles delaying highway and transit projects. OEPD

(Continued on next page)

WHAT COMES AFTER SAFETEA-LU? (CONTINUED)

would focus on coordinating all of the agencies involved in the project delivery process. The bill would eliminate duplications in the environmental review and transportation planning processes.

Restructure the existing Highway Safety Improvement Program to focus on reducing fatalities and injuries. The current highway-rail crossing and high risk rural roads set-asides are eliminated to allow states to use funds where the safety need is the greatest.

Impose penalties on the 21 states that do not have a primary seat belt law and the 41 states that do not require installation of ignition interlock devices for first-time alcohol-related driving offenses.

Remove the existing prioritization of Congestion Mitigation and Air Quality program funds for diesel retrofit projects.

Restrict tolls on the Interstate except under narrowly defined circumstances. The bill would establish a series of public protections for toll projects and require transparency in the development of public-private partnerships.

Emphasize the use of performance standards, accountability and oversight in virtually every program to assure national objectives are being achieved.

Key committees in both the House and Senate will be meeting in coming weeks to debate their own versions of the reauthorization and funding bills. Chairman Oberstar has set a goal to have the entire package pass the House by the end of July.

The Administration is working on a list of principles they would like to see included in the reauthorization, but this list has not been released to legislative leaders. This has left the door open for a group of legislators to push for the inclusion of environmental performance standards in the reauthorization.

A letter signed by 61 House Democrats indicated that “Energy security and climate change are inextricably linked with transportation, and (Congress) cannot solve either problem without addressing them in transportation policy.”

HR 2723 has been introduced by members of this group and offers broad goals for transportation, including energy efficiency and security, environmental protection, economic competitiveness, safety and public health, system conditions and connectivity, and equal access for urban and rural areas.

The bill proposes performance targets, including:

Reducing vehicle miles traveled (VMT) by 16 percent over 20 years

Tripling the use of non-motorized and public transportation over 20 years

Lowering transportation-generated carbon dioxide levels by 40 percent over 20 years

Reducing traffic delays by 10 percent over 20 years

Boosting rail and intermodal freight transportation by 20 percent over 20 years

Ensuring that no one is exposed to at-risk levels of air pollution

Reducing traffic crashes by 50 percent to improve public safety and lower congestion costs

Increasing the percentage of major highway, transit, bicycling and pedestrian infrastructure in a state of good repair by 20 percent

Lowering the average household’s housing and transportation costs by 25 percent and

Increasing by half the number of essential destinations accessible by public transportation within 30 minutes, or by walking within 15 minutes, for low-income residents, senior citizens and the disabled.

The inclusion of potentially unrealistic environmental goals in the reauthorization bill could cause negative consequences for the local road and bridge network. In addition, many of these goals cannot be met without substantial investments above the increases in the T&I proposed reauthorization plan.

Information will be provided in CRAM’s Legislative Updates as additional details unfold on the reauthorization proposals and their impact on local road agencies.



THE ROAD AHEAD



July

- 9 Great Lakes Council
Baraga Lakeside Inn, Baraga
- 15-16 MCRCSIP Annual Meeting
Soaring Eagle Hotel & Convention Center
Mt. Pleasant
- 20 Blue Water Highway Council
Holly Meadows Golf Course, Capac
- 21 Seven County Council
Corner Landing Restaurant, Ionia
- 31 Southern Mid-MI Golf Outing
Cascades Golf Course, Jackson

August

- 7 Southeast Golf Outing
Selfridge AFB Golf Course, Harrison Twp.

September

- 8 Northern Golf Outing
Black Bear Golf Club, Vanderbilt
- 9-11 NMARC Annual Conference
Boyne Mountain Resort, Boyne Falls
- 30-Oct 2 Superintendents' Seminar
Kewadin Hotel & Conv. Ctr.
Sault Ste. Marie

December

- 7-9 ASMRC Annual Conference
Bavarian Inn Lodge, Frankenmuth

Call and arrange a visit with your legislators while they are in district over break. We need YOU to participate if we hope to improve the road funding situation.



The CRAM Office began Summer hours June 29.

Hours will be 7:30 a.m. to 4:00 p.m.
(closed 12:00-12:30 p.m for lunch)



2010 HIGHWAY CONFERENCE UPDATE

The Causeway Bay Hotel is now accepting reservations for the 2010 Highway Conference. The Conference will be held March 9-11, 2010 in Lansing.

The Causeway Bay is the former Holiday Inn South and has been updated. We look forward to seeing you in March.

Additional information will be sent later.