

*Testimony on the Proposed 2012 Wisconsin State Budget  
To the Hearing of Joint Legislative Finance Committee*

*Transportation Issues Positions  
From the Madison Peak Oil Group*

**Overall Perspective**

The Madison Peak Oil Group (MPOG) was founded 2006 under the leadership of RENEW Wisconsin, an organization promoting renewable energy, to broaden the community discussion of our challenging energy future. MPOG members closely follow of the research of the Association for the Study of Peak Oil and Gas-USA (ASPO), which maintains an authoritative dialogue on the emerging energy situation.

It is clear that world oil supply and demand are precariously balanced at present; that even a minor supply disruption has driven prices well over \$100 a barrel, five times the level of a decade ago. A large body of data and research leads us to believe that there are deep problems with petroleum supply, particularly the slow-down of new discoveries and accelerated depletion of existing fields, coupled with ever-growing demand from Asia. These factors are worsening with time, and may converge within the next five to ten years to produce a long term price/supply crisis. Authoritative sources such as the International Energy Agency predict this possibility, and the financial market speculators appear to share this opinion and are driving oil futures prices ever upwards. (We have attached our case statement expanding on the factual basis for this judgment.)

In response, there is a vital need to progressively restructure our car- and truck-dominated economy by strengthening alternatives that are less dependent on low cost petroleum. We can not allow the current majority preferences for car travel and never-ending demands for highway improvements—as compelling as these are—to blind us to impending dangers and prevent us from taking action. **Responsible officials must bear in mind that we risk painful dislocations when gas and liquid fuel shortages eventually become severe—as they did during the oil shocks of the 1970s and 2008—if we do not concurrently build up our alternative transit, freight and passenger rail, and personal transportation systems.**

**Budget and Policy Recommendations**

**The Administration's proposed budget proposes a radical refocusing on highway construction—a 14.7% increase in highway construction funding--and a series of other budgetary maneuvers that downgrade support for the diversified transportation elements needed now and the future. The legislature needs to make corrections as follows:**

- Restore mass transit funding to its rightful place in the dedicated transportation fund. Do not force this key transportation component to contest with beleaguered educational allocations in the over-strained general fund.
- Expand transit funding by 5% instead of reducing it by 10% to provide services to accommodate workers who can not pay accelerating gas prices.
- Restore the public sector collective bargaining rights for transit agency unions stripped in the Budget Repair Bill to avoid a crippling loss of Federal transit funding under Section 13 (©) of the Federal Transportation Act which requires maintenance of existing bargaining rights for transit workers.
- Restore cuts to Railroad improvement program to help operating companies improve Wisconsin's creaky freight rail system. Investments are needed to expand the ability of rail lines to reach shippers directly through more access sidings and more rapidly on improved rights of way. In general, the expansion of freight shipment by rail should be regarded as a vital tool to deal with highway congestion by reducing the need for large truck traffic.
- Support continued local planning to meet the transportation challenges of the future by operating effective Regional Transportation Authorities. The RTAs can play a vital role in planning, building support for and obtaining funding for transit and other components of the non-oil transportation alternatives. Resist any effort to dismantle or defund the RTAs through the budget process or the passage of the proposed RTA Repeal Bill. Provide planning funds to develop programs in preparation for local tax referendum votes.

In general, it is vital for legislators to envision a future strategy that balances road construction with non-car or truck alternatives. Indeed, the development of non-highway, non-oil solutions will be vital in avoiding serious dislocations and suffering during future conditions of oil shortage. The best approach for our roads will be to minimize the construction of new roads, focus resources on maintaining the existing road network, and fully fund a balanced system of alternatives. This would initially emphasize strengthening bus transit and freight rail, but eventually include commuter rail, intercity passenger rail, a network of intercity busses, and support of personal transportation by bicycle and foot.

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