



TRANSPORTATION CABINET

Frankfort, Kentucky 40622
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Steven L. Beshear
Governor

Michael W. Hancock, P.E.
Acting Secretary

January 28, 2010

TO: Recipients of the Kentucky Transportation Cabinet's
2010 Recommended Highway Plan

On behalf of Governor Steve Beshear, the Kentucky Transportation Cabinet (KYTC) is pleased to present the *2010 Recommended Highway Plan*. As required by the *Kentucky Revised Statutes, Chapter 176*, this Plan is the vehicle through which major highway improvement projects scheduled for the upcoming biennium are submitted to the Kentucky General Assembly for approval. It also outlines the intent of the KYTC to pursue a specific list of projects over the coming years.

As we assess the Transportation Cabinet's ability to meet future highway needs, we must recognize that when budgets are tight and projects cost more, careful choices must be made about the type and extent of road system improvements we pursue. Kentucky's highway infrastructure represents a huge public capital investment that must be protected. Accordingly, the *2010 Recommended Highway Plan* contains many priority operational, maintenance, safety, pavement restoration, and bridge repair projects. As important as upgrading our existing infrastructure is today, the need is also great to adequately provide for the economy of tomorrow. This is especially true in Louisville; Kentucky's largest city and premier economic engine.

The 2009 General Assembly afforded the opportunity for a "bi-state authority," involving both Kentucky and Indiana, to evaluate financial options for a \$4.1 billion project designed to complete I-265 east of the city, reconstruct the aging Kennedy Interchange, and build a new downtown I-65 Ohio River crossing. Without this investment, Louisville will become an interstate freight bottleneck rather than the vibrant economic hub it could be. It is with due consideration of carefully weighed economic, maintenance, operational, and safety issues that this Highway Plan was developed.



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Including the remaining dollars for Fiscal Year 2010 and looking ahead through the Year 2016, the *2010 Recommended Highway Plan* is based on expectations that \$5.8 billion of traditional state and federal highway dollars, augmented by approximately \$1.2 billion of state road bond and federal GARVEE bond proceeds, will be available to address transportation needs throughout the state during that timeframe. It is necessary to note that the annual funding expectations for this edition of the Highway Plan have been balanced against projects scheduled for that year for every category except the State Construction Program (SP). As a result of Executive and Legislative Branch decisions dating back to the Year 2000, the SP Account has not been fiscally balanced for the past five editions of the Highway Plan. Our efforts to also factor inflation into the costs of projects throughout the *2010 Recommended Highway Plan* have now yielded an SP Account that contains over \$2 billion more in projects than funding exists to finance. In truth, the SP Account is essentially a “10 to 12-Year Plan” rather than a “Six-Year Plan,” assuming that future state Road Fund revenues rebound from their current decline.

Recent changes in 401 KAR 10:030 Antidegradation Policy Implementation Methodology require that developing projects address protection of water resources. The regulation recognizes the General Assembly’s authority for approval of projects in the Highway Plan. Projects are included in the Highway Plan only after a measured decision that the project enhances the quality of life, vitality of the Commonwealth and promotes the public good. The provisions of the amended regulation specify that the inclusion of a project in the Highway Plan satisfies the requirements for conducting an antidegradation socioeconomic benefit demonstration. Inclusion of a project is an indication of the General Assembly’s conclusion that the reduction in water quality that may occur as a result of the project is acceptable given the socioeconomic benefits to be derived. Citizens who may be concerned regarding the potential for a project to affect water quality should provide information to their legislator for their consideration when evaluating projects for inclusion in the Highway Plan.

Providing a safe and reliable transportation system that delivers economic opportunity and enhances the quality of life for all Kentuckians is the objective of the KYTC. The *2010 Recommended Highway Plan* provides a road map that is built around this objective in order to responsibly address our transportation system priorities within the funding resources available. It is the desire of Governor Beshear that we manage the responsibility for Kentucky’s road network effectively and above reproach. We assure the citizens of the Commonwealth that we are working honorably, every day, to rebuild trust and credibility in Kentucky’s highway programs.

Sincerely,



Michael W. Hancock
Acting Secretary