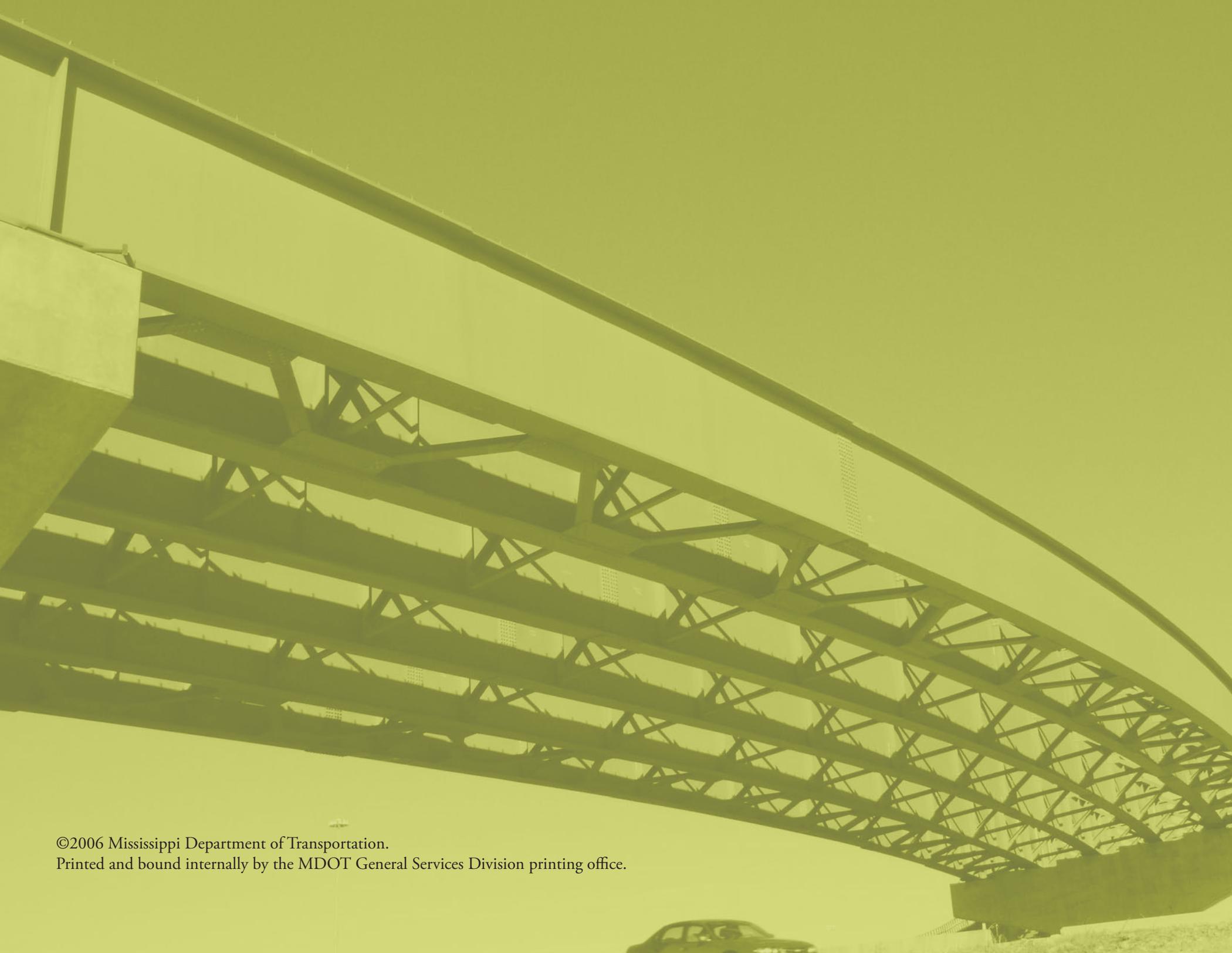


The Mississippi Department
of Transportation

Annual Report 2006





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The Mississippi Department of Transportation

Annual Report 2006

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MISSION AND GOALS

The Mississippi Department of Transportation is responsible for providing a safe intermodal transportation network that is planned, designed, constructed, and maintained in an effective, cost-efficient and environmentally-sensitive manner.

Accessibility and mobility **Improve Accessibility and Mobility for Mississippi's People, Commerce and Industry**

A greater proportion of Mississippians are within access to the state's highway system through the Four-Lane Highway Program and other initiatives. The state also enjoys a relatively high level of travel mobility. Sufficient intermodal accessibility and mobility are essential not only for passenger travel, but freight movement as well, in order to meet the needs of the state's industrial and commercial sectors. It is important to ensure access and mobility for all citizens, regardless of physical limitations, social status, economic level or geographic location.

Safety **Ensure High Standards of Safety in the Transportation System**

A core priority of MDOT is transportation safety across all modes. While Mississippi continues to rank high nationally in the rate of traffic fatalities on the state's highway system, improvement has been made through concentrated and coordinated efforts. Missis-

sippians should be able to look to MDOT as the driving force behind the development and implementation of multimodal transportation safety programs. Deficient facilities with respect to safety experience not only the effects of lost financial resources and time but, more importantly, loss of life.

Maintenance and preservation **Maintain and Preserve Mississippi's Transportation System**

Mississippi has an extensive multimodal transportation system, in which the state has made a substantial investment. If the system is to continue serving the state's citizens and the investment is to be recognized, placing a high priority on the maintenance and preservation of the existing infrastructure is fundamental. Appropriation of funding for future rehabilitative costs is critical and will directly affect the accessibility and mobility, not to mention the safety, of the state's passenger and commercial transportation system. Further, the strain on resources brought about by an inadequately-funded maintenance system will have a direct effect on the economic development efforts of the state as well.

Environmental stewardship **Ensure that System Development is Sensitive to Human and Natural Environment Concerns**

A sound transportation plan must address the relationship between the movement of people and goods and the impact upon the environment. Such a relationship is recognized within SAFETEA-LU through a number of programs, including Congestion Mitigation and Air Quality (CMAQ). Additional Federal Acts to take into account include the National Environmental Policy Act (NEPA), the Clean Air Act Amendments of 1990, and the Energy Policy Act of 1992. Preservation and protection of Mississippi's human and natural environment and resources for the benefit of future generations must be a goal of the current MULTIPLAN.

Economic development **Provide a Transportation System that Encourages and Supports Mississippi's Economic Development**

Transportation and the supporting infrastructure are essential to economic growth and development within Mississippi. Not only does a superior transportation system support and retain existing economic development interests within the state, but it will help to make Mississippi attractive in the recruitment of new economic development. It is important that the transportation system not only serves the state's citizens and businesses, but also places our citizens and businesses in a position that makes them competitive on a national and global scale.

Awareness, education and cooperative processes

Create Effective Transportation Partnerships and Cooperation that Enhance Awareness of the Needs and Benefits of an Intermodal System

As every Mississippian either uses or is affected by the state's transportation system, it is important that all citizens have an awareness of both the benefits and needs of the system. Having a well-informed citizenry, public interest and stakeholder base, and state legislature will lead to better decision-making and long-term fiscal planning. One of the most difficult aspects of successful transportation planning efforts is balancing and coordinating the multitude of interests involved in the decision-making process. Through the development of education and cooperative processes with proper communication on all levels, sufficient balance can be attained.

Finance

Provide a Sound Financial Basis for the Transportation System

With the focus on the traveling public, the citizens of Mississippi rightly expect the funding they provide for the state's transportation system to be managed and invested responsibly. A challenge for MDOT is to ensure that adequate funding is available for the long-term health of the system. Multiple and varied funding sources must be identified and managed responsibly so that the transportation needs of Mississippi's citizens and economic interests are met.



DELIVERING VALUE

Dear Taxpayer:

The Mississippi Department of Transportation is working hard to provide you the best possible infrastructure and services at the minimum cost. This past year we have delivered even greater value to the people of Mississippi, despite facing extraordinary challenges.

When Fiscal Year 2006 began in July 2005, we were focused on our mission, fueled by fresh ideas, and facilitating an environment of teamwork and creative problem-solving. Our primary challenge was one faced by all state departments of transportation— addressing infrastructure needs that continually outstrip funding.

Then Mississippi and our neighboring states endured the most destructive natural disaster in recent history.

Hurricane Katrina's damage to transportation infrastructure alone exceeded \$1 billion. MDOT employees rose to unfathomable challenges, working before, during, and long after the storm to open transportation routes and rebuild lives and infrastructure.

I was proud of MDOT's performance then, but I am even more proud now, nearly a year later. Despite the turmoil and emergency infrastructure work induced by a severe hurricane, MDOT successfully advanced its \$667.5 million in construction and maintenance projects that were planned before the storm hit. We mobilized our workforce and leveraged funds in ways that have

since earned MDOT national recognition. New transportation infrastructure and services are in place in all areas of the state. Mississippi's people and products are moving more efficiently than ever before, and are more effectively linked to the global economy.

The intensity of FY 2006, rather than pulling MDOT off course, has sharpened our focus and ignited our commitment to our mission. All Mississippians were reminded that our statewide intermodal transportation system is of vital importance.

MDOT is developing and maintaining the best possible system while being wise stewards of our resources—human, financial, and environmental. The visionary support of Governor Barbour and our legislators, and the committed teamwork of our local and regional partners, have been fundamental to that success.

Together we are delivering exceptional value to the people of Mississippi.

Sincerely,



Larry L. "Butch" Brown
Executive Director

MDOT IS

Innovating *to produce maximum value with available resources*

- MDOT's award-winning H.E.L.P. innovative financing program leverages funding to complete infrastructure projects years earlier than they could otherwise be built.
- MDOT is rebuilding three major bridges destroyed by Katrina under design-build contracts—the agency's first—to finish work in record time.
- MDOT's groundbreaking Vision 21 Program continues to ensure that the transportation projects that will benefit the most people are built first.

Investing *in people, technology, and Mississippi's quality of life*

- MDOT's advances in Intelligent Transportation Systems are enabling Mississippi's existing highway network to operate more safely and efficiently.
- MDOT's workforce development and educational outreach initiatives enrich the lives of Mississippians of all ages and are serving as models for departments of transportation nationwide.
- MDOT provided \$5 million in multimodal funds in FY2006 to accelerate the most-needed non-highway transportation projects in Mississippi. These airport, water port, public transit, and railroad projects address critical infrastructure needs and create positive economic impacts.

Impacting *communities statewide with positive results*

- MDOT constructed or upgraded 583.34 miles of highway.
- MDOT resurfaced 788 miles of highway.

Larry L. “Butch” Brown

MDOT Executive Director—Brown is a longtime businessman and the former mayor of Natchez, Mississippi. He is a graduate of the University of Southern Mississippi with degrees in management and marketing, and served in the school’s department of marketing and management as an instructor for seven years. Mr. Brown is a member of the Executive Committee of the Transportation Research Board. He serves on the Board of Directors of the Southern Association of State Highway and Transportation Officials (SASHTO) and the American Association of State Highway



and Transportation Officials (AASHTO), where he also serves as Chairman of the AASHTO Standing Committee on Ports and Waterways. Other appointments include Co-Chairman of the Latin American Freight/Transportation Scan, Chairman of the Mississippi Transportation Institute, the Advisory Board of the Mississippi State University School of Engineering, and Ex-Officio Board Member of Mississippi Mainstreet. In 2001, he was chosen to serve on the Advisory Board of the National Trust for Historic Preservation, and in 2003, on the Advisory Board of the Mississippi World Trade Center. He has also served on the Executive Board of Directors of the Mississippi Business Finance Corporate, the White House Conference on Small Business, the U.S. Department of Commerce Industry Sector Advisory Committee on Trade Policy, and as former Chairman of the Mississippi-Louisiana Bridge Authority, responsible for funding construction of the Natchez/Mississippi River Bridge.

Harry Lee James

is an honors graduate of Mississippi State University where, in 1976, he earned a bachelor of science degree in civil engineering. Upon graduation, James worked in the private construction industry and later for a consulting engineering firm before joining the MDOT team as a bridge designer in 1982. Today James is a registered Professional Engineer and has served as MDOT’s state bridge engineer since 1999. He was named as Chief Engineer/Deputy Executive Director in 2003.



Brenda Znachko

is a graduate of the University of Florida School of Law - Graduate Tax Program, University of Mississippi Law Center and the University of Southern Mississippi, where she received a Bachelors Degree in Political Science. Upon graduation, Znachko worked for private law firms before joining MDOT as a Special Assistant Attorney General in 2002. Today Znachko is a commissioned officer in the U.S. Naval Reserves, a Louisiana Board Certified Tax Attorney and a bar member in Mississippi, Louisiana and Florida. She was promoted to deputy executive director/administration in July of 2004. In 2006, she received the AASHTO President’s Award for Administration for her work on MDOT’s Finance Team.



THE MDOT TEAM

THE COMMISSION



Bill Minor *Northern District Transportation Commissioner*—Before being elected transportation commissioner in 2003, Minor served in the Mississippi Senate for 20 years. He was both vice chairman and chairman of the Senate Highway Committee and helped orchestrate the passage of the 1987 Four-lane Highway Program. He also chaired the committees on Finance and Public Utilities. Minor and his brother established Minor Brothers Plumbing which has grown into a chain of successful hardware stores in North Mississippi.



Dick Hall *Central District Transportation Commissioner*—Hall served six terms as a member of the Mississippi Legislature – three in the House and three in the Senate. He chaired the Environment Committee in both the House and Senate and the Senate Committee on Public Health and Welfare. Most recently, he chaired the Senate Appropriations Committee. He was the first recipient of the Hugh L. White Free Enterprise Award. Commissioner Hall owns a company which represents manufacturers and also has commercial real estate holdings.



Wayne Brown *Southern District Transportation Commissioner, chairman*—In 1966, Brown cofounded Batson and Brown Consulting/Surveyors Engineers, and in 1967, TAB Map Company. He has served as county engineer in George, Green and Jackson counties. He has held the position of president of the Mississippi Association of Professional Land Surveyors, the president of the Mississippi State Board of Registration for Engineers and Land Surveyors, the Mississippi Consulting Engineers Council, and is an American Consulting Engineer Council fellow.



THE DEPARTMENT

AS OF JUNE 30, 2006

Transportation Commission

Bill Minor - Northern District Commissioner
Dick Hall - Central District Commissioner
Wayne Brown - Southern District Commissioner
Amy Hornback - Secretary to the Commission

Administration

Larry L. "Butch" Brown - Executive Director
Harry Lee James - Deputy Executive Director/
Chief Engineer
Brenda Znachko - Deputy Executive Director/
Administration
Ray Balentine - Director,
Office of Intermodal Planning
Willie Huff - Director,
Office of Enforcement
J. Brooks Miller - State Aid Engineer
Richard Sheffield - Assistant Chief Engineer,
Operations
Melinda McGrath - Assistant Chief Engineer,
Field Operations
David Foster - Assistant Chief Engineer,
Preconstruction
John M. Simpson - Chief Information Officer

Division Directors

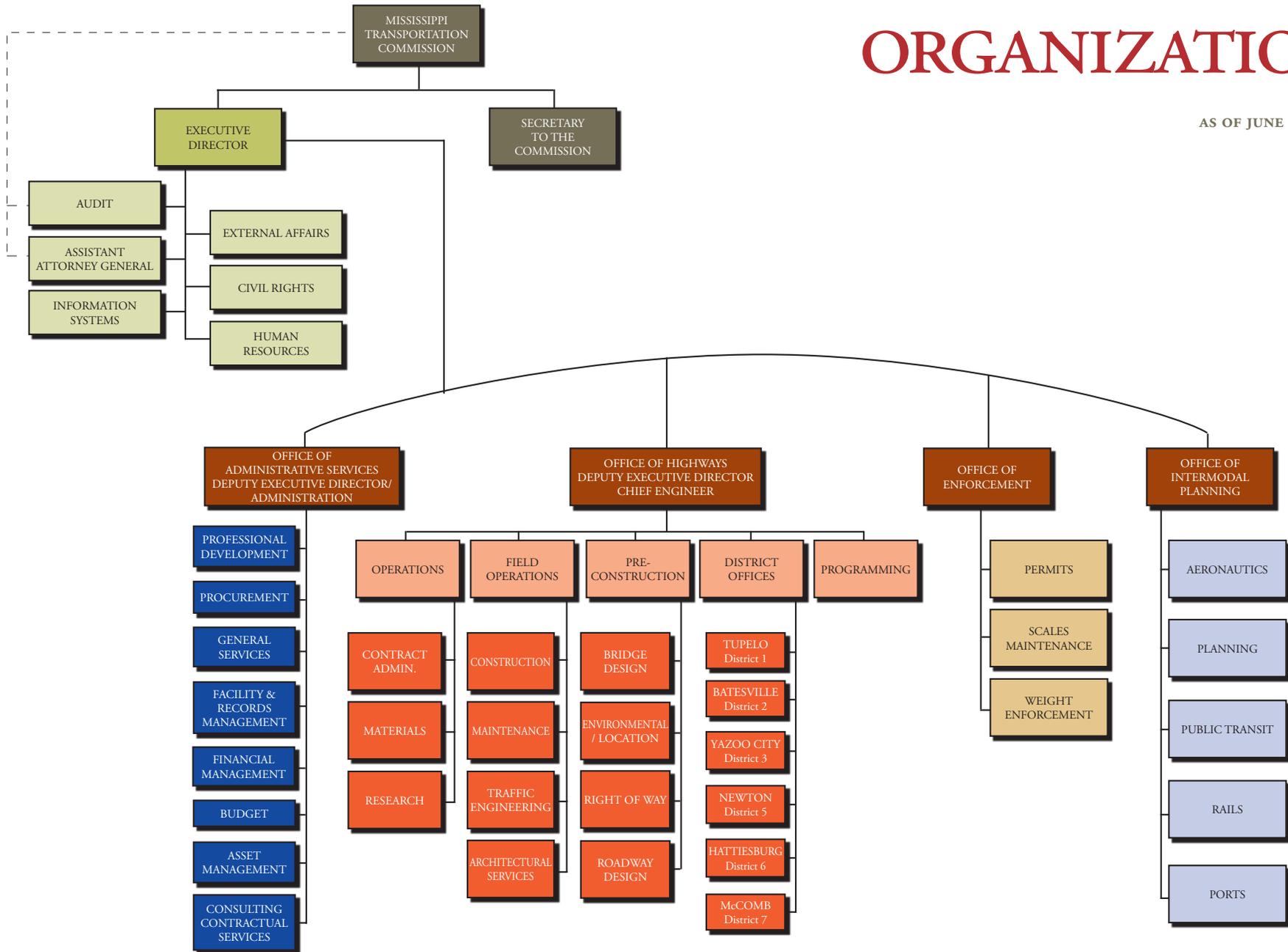
Wes Dean - State Traffic Engineer
Claiborne Barnwell - Environmental Engineer
James Williams - State Materials Engineer
Lisa Hancock - Procurement Director
Charles R. Carr - Public Transit Manager
Jeff Pierce - State Planning Engineer
Randy Battey - Research Engineer
Gae Blain - External Affairs Director
Mary McDonald - Human Resources Director
Carolyn Bell - Director of Civil Rights
Dianne Gavin - Audit Director
John D. Vance - State Maintenance Engineer
Elton Jay - Aeronautics Director
B.B. House - Contract Administration Engineer
Roy Tipton - Assistant Attorney General
Mitch Carr - Bridge Engineer
Dan Smith - Right-of-Way Administrator
Brad Lewis - State Construction Engineer
Jackie Duckworth - Programming Manager
Roy Patrick - Asset Management Director
Mark Valentine - Financial Management Director
John B. Pickering - Roadway Design Engineer
Jimmy Davis - Budget Director
Ruthann Vercher - Facility & Records Management
Director
Henry Morgan - General Services Director
Steven Edwards - Rails Engineer
Jim Moak - Ports Director
Danada McMurtry - Professional Development
Director

District Engineers

Bill Jamieson, Tupelo, Miss.
James Q. Dickerson III, Batesville, Miss.
Walter Lyons, Yazoo City, Miss.
William R. May, Newton, Miss.
Richard Lee, Hattiesburg, Miss.
Darrell Broome, McComb, Miss.

ORGANIZATION

AS OF JUNE 30, 2006

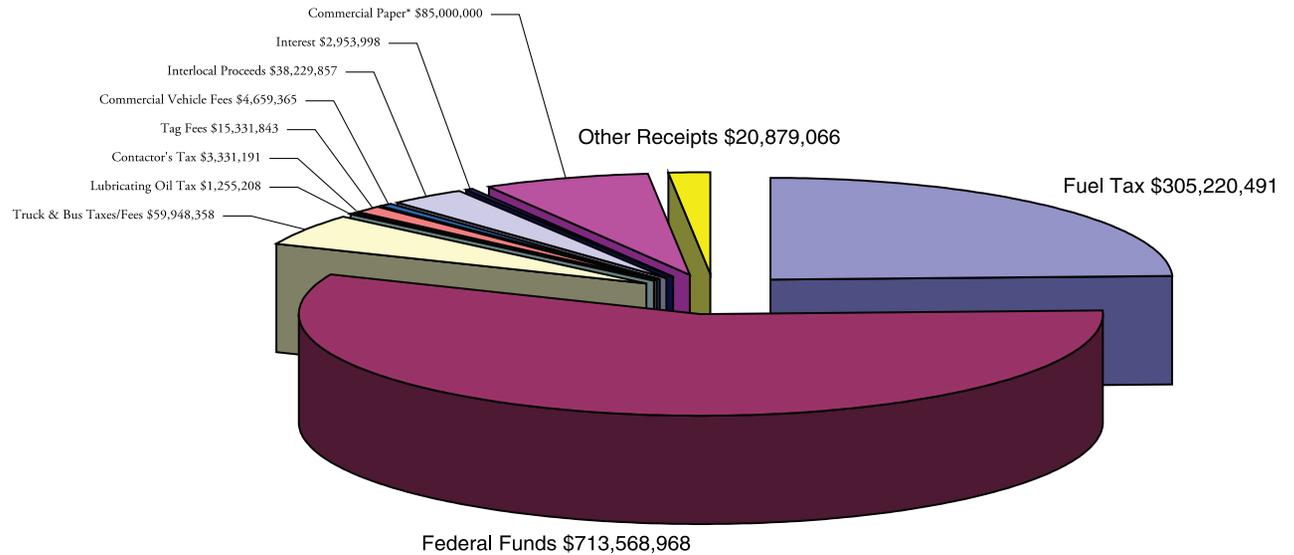


Statement of Receipts and Disbursements for the Fiscal Year Ended June 30, 2006

Cash Balance as of July 1, 2005 \$26,881,415

Receipts:

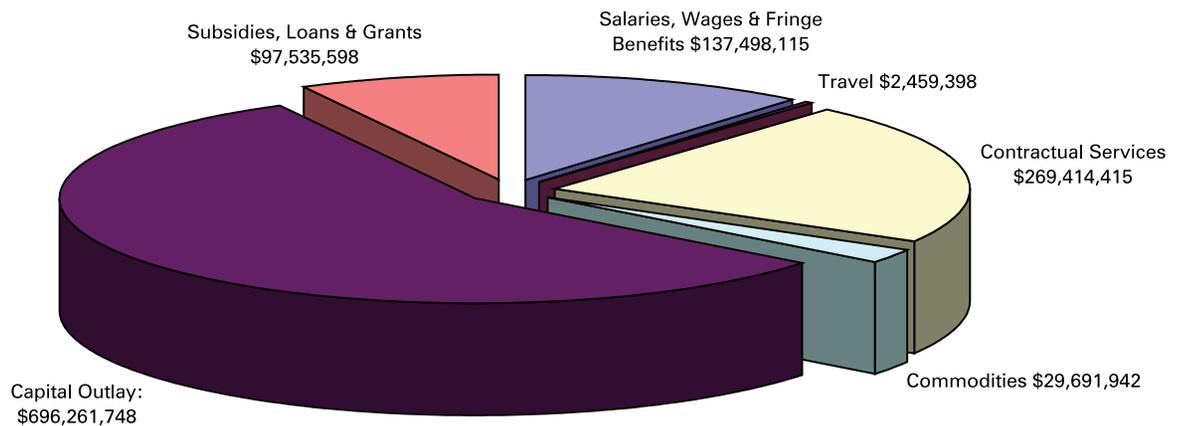
Fuel Tax	\$305,220,491
Federal Funds*	713,568,968
Truck & Bus Taxes/Fees	59,948,358
Lubricating Oil Tax	1,255,208
Contractor's Tax	3,331,191
Tag Fees	15,331,843
Commercial Vehicle Fees	4,659,365
Interlocal Proceeds	38,229,857
Interest	2,953,998
Commercial Paper**	85,000,000
Other Receipts	<u>20,879,066</u>
Total Receipts	\$1,250,378,345



Funds Available for Fiscal Year 2006 \$1,277,259,760

Disbursements:

Salaries, Wages & Fringe Benefits	\$137,498,115
Travel	2,459,398
Contractual Services	269,414,415
Commodities	29,691,942
Capital Outlay:	
Equipment	13,711,053
Other than Equipment	682,550,695
Subsidies, Loans & Grants	<u>97,535,598</u>
Total Disbursements***	\$1,232,861,216



Cash Balance as of June 30, 2006 \$44,398,544

*Federal funds include \$280,000,000 of FHWA Hurricane Katrina Emergency Relief (ER) Funds.

**The \$85,000,000 Commercial Paper is not included as part of fiscal year 2006 revenue.

***FY 2006 Disbursements include \$313,000,000 in Hurricane Katrina-related expenditures.

Budgeted Revenues and Expenditures for the Fiscal Year Ending June 30, 2007

Cash Balance July 1, 2006 \$44,398,544

REVENUES:

Motor Fuel Tax	300,000,000
Federal Reimbursement	440,000,000
Other Federal Funds	10,000,000
Truck and Bus Taxes/Fees	52,000,000
Lubricating Oil Tax	1,000,000
Interest Income	1,000,000
Tag Fees	14,000,000
Contractor's Tax	5,000,000
Commercial Vehicle Fees	5,000,000
Interlocal Proceeds	70,000,000
Transfers & Other Fees	22,000,000

BUDGETED REVENUES* \$920,000,000

TOTAL AVAILABLE \$964,398,544

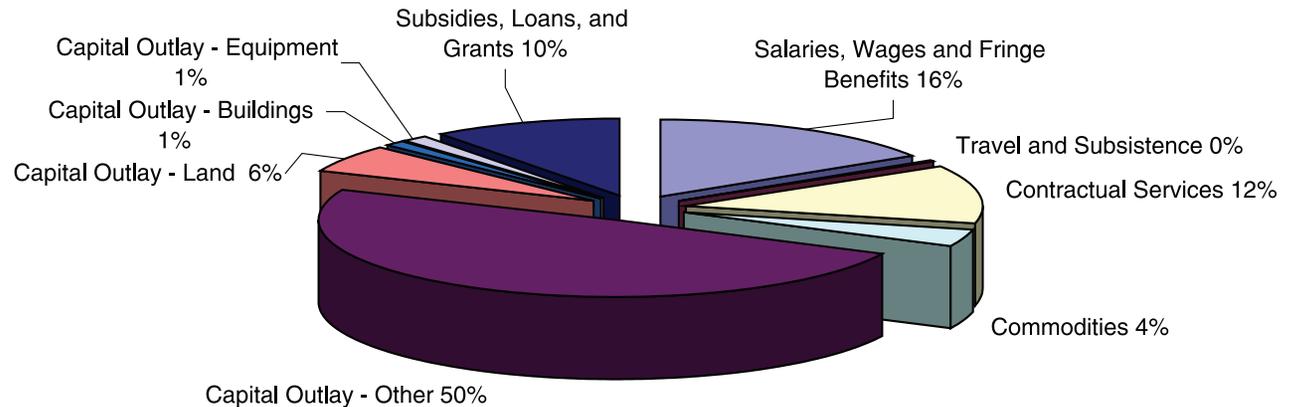
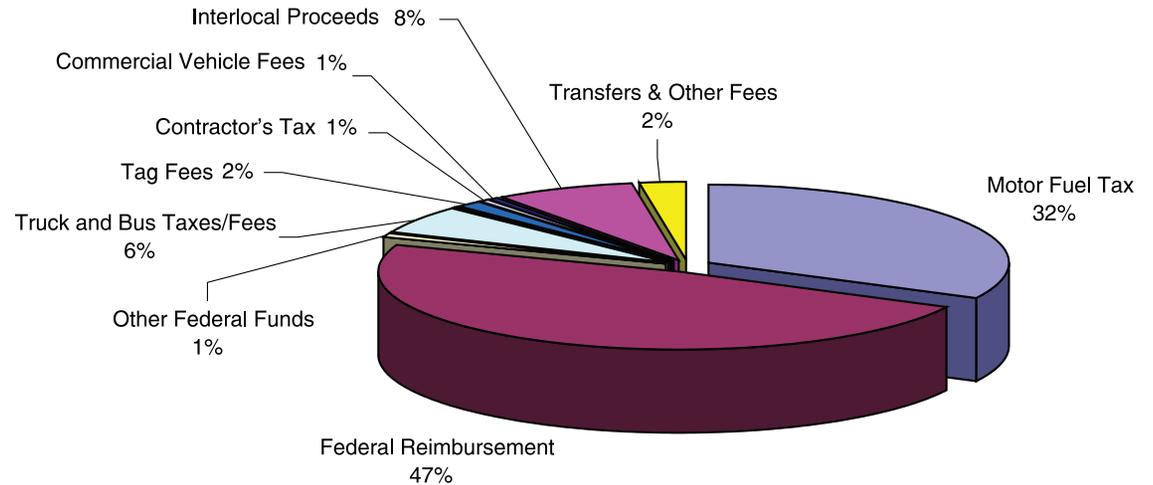
EXPENDITURES (by object):

Salaries, Wages and Fringe Benefits	\$148,855,688
Travel and Subsistence	2,918,434
Contractual Services	110,934,364
Commodities	34,047,627
Capital Outlay - Other	452,951,631
Capital Outlay - Land	51,600,000
Capital Outlay - Buildings	10,000,000
Capital Outlay - Equipment	13,500,000
Subsidies, Loans, and Grants	94,832,800

BUDGETED EXPENDITURES* \$919,640,544

Estimated Cash Balance June 30, 2007 \$44,758,000

TOTAL ACCOUNTED FOR \$964,398,544



*Budgeted revenues and expenditures do not include \$563,000,000 of anticipated FHWA Hurricane Katrina Emergency Relief Funds. The addition of these funds brings the total of \$1.5 billion.

MAJOR PROJECTS & PROGRAMS

H.E.L.P. Program Captures National Attention

MDOT accelerated \$324 million in highway projects through its innovative financing program entitled Highway Enhancement through Local Partnerships (H.E.L.P.). By leveraging available funding, these projects will be completed and provide mobility and economic development benefits years before they could otherwise be launched.

Through the H.E.L.P. Program, authorized by state statute, MDOT enters into cooperative agreements with cities or counties to accelerate planned federal-aid eligible interstate highway projects in their area. The city or county where the project is located issues bonds to finance the much-needed highway improvements. MDOT repays the debt, most of which is reimbursed by the Federal Highway Administration.

MDOT has entered into six such agreements thus far and more are planned in the future. Bonds have been issued on four of the six projects, including a paving project on State Route 304 in Tunica County, with bonds issued in the amount of \$45,000,000; State Route 601/Canal Road in Harrison County, with bonds issued in the amount of \$102,000,000; the I-59 S-Curve in the

City of Laurel, with bonds issued in the amount of \$32,000,000; and a new split diamond interchange, frontage roads and connector roads in Madison County, with bonds issued in the amount of \$145,000,000.

MDOT used the bond proceeds in Tunica County to pave a new four-lane divided highway connecting I-55 to Highway 61. This project was opened to traffic in 2006 and is the first segment of I-69 to open in the country.

MDOT will utilize the bond proceeds on the Harrison County project for engineering/design and the acquisition of right-of-way for State Route 601, better known as Canal Road, a new four-lane north-south connector between Highway 90 and I-10. This project will alleviate congestion on Highway 49 and provide an additional hurricane evacuation route from the Gulf Coast.

MDOT will use bond proceeds on the City of Laurel project for the reconstruction of the I-59 S-Curve in Laurel, which will greatly improve safety by modernizing this segment according to current interstate highway design standards.

MDOT will use the bond proceeds in Madison County for construction of a new I-55 Madison/Ridgeland interchange. The project involves construction of a split diamond interchange with three connectors, and reconstruction from Old Agency Road to SR 463 including frontage roads. This project will provide much-needed capacity between County Line Road and SR 463.

MDOT will pay the debt service on the bond issues based on agreements signed between MDOT and the Federal Highway Administration (FHWA). FHWA will reimburse MDOT 80 or 90 percent of the debt service as it would if utilizing the normal construction process. After completion, federal funds can be used for maintenance.

MDOT has also entered into interlocal agreements with Marshall and DeSoto counties for four-lane high-

ways which are part of I-269 for \$215 million and \$275 million respectively, but no bonds have been issued at this time.

MDOT's innovative financing accomplishments have been well-received in national financial markets. For example, in the aftermath of Hurricane Katrina, concern arose regarding the stability of the State of Mississippi. The Canal Road and Laurel bond issues were the first long-term debt offerings from Mississippi in the public markets following Katrina. These transactions not only met expectations, they exceeded expectations and earned a nomination as "Deal of the Year" from the Bond Buyer, the paper of record for the municipal finance industry. One reason cited for this nomination was the innovative structure of the deal.

In fact, the tremendous demand for MDOT's securities allowed for pricing at lower yield levels than a higher rated offering in the market the same day by the New Jersey Transportation Trust Fund. Also in 2006, MDOT's H.E.L.P. bonds received a credit rating upgrade from Standard and Poors rating agency, further evidence that the H.E.L.P. program is being well-managed by MDOT.

MDOT's Finance Team, led by Deputy Executive Director Brenda Znachko, won the American Association of State Transportation and Highway Officials' (AASHTO) 2006 President's Award for Administration in recognition of their development of the H.E.L.P. Program and other financial achievements.

MDOT's First Design-Build Contracts

Destruction by water has meant trial by fire for MDOT's bridge engineers, who are using design-build construction methodology for the first time in Mississippi to rapidly reconstruct two highway bridges destroyed by Hurricane Katrina.

Traditional design and construction methodology is sequential, with construction beginning after design is

100 percent complete. Design-build projects, by contrast, compress the overall project schedule and overlap phases. Construction activities begin before design is complete. The primary advantage of a design-build approach is the accelerated completion schedule, which was paramount in rebuilding infrastructure destroyed by Katrina. However, the approach introduces many challenges.

Prior to Hurricane Katrina, MDOT had started drafting design-build contract documents for a small bridge replacement, intending to become familiar with the design-build process on the relatively small \$3 million project. Plans changed when Katrina destroyed two major bridges on U.S. 90: the Bay St. Louis Bridge and the Biloxi Bay Bridge

Faced with the immediate need to restore the U.S. 90 bridges, MDOT had to rapidly launch two major design-build contracts for replacement of the U.S. 90 bridges.

MDOT worked closely with engineers from the Florida Department of Transportation, who had substantial experience in design-build bridge construction, including hurricane recovery projects, and shared their experiences, provided sample contract documents, and reviewed specific construction details. To prepare the contract and construction documents and oversee the work, MDOT teamed with the Federal Highway Administration and an experienced engineering consulting firm.

The \$267 million contract for the Bay St. Louis Bridge was awarded in January 2006 and the \$338.63 million Biloxi Bay contract was awarded in June—significant milestones in Katrina recovery and also for MDOT's engineers, who had to rapidly learn the intricacies of a new contracting methodology. Completion of the Bay St. Louis Bridge is on schedule for November 2007; the Biloxi Bay Bridge is expected to be complete by April

2008.

Greenville Bridge Takes Shape

MDOT celebrated a major milestone in FY2006 in the construction of the new U.S. 82 Greenville Bridge, which will feature the longest cable-stayed span across the Mississippi River. With more than two and a half miles of bridge deck—including a main span that is more than a quarter of a mile long—supported by four dramatic fans of steel cables anchored to two 425-foot-high concrete towers, the new US 82 bridge near Greenville, Mississippi is one of the largest bridges being built in the world today.

The bridge will link Washington County, Mississippi, with Chicot County, Arkansas—a connection officially made in April 2006 when "main span closure" was achieved.

Construction of the bridge's superstructure advanced outward from each tower, with the two segments approaching each other from either side of the river. In April the two extended segments of superstructure were joined, marking on time main span closure.

Significant work still remains to link the roadway network to the new crossing. Construction on the Mississippi approach is well under way, with completion anticipated in April 2008. Work on the Arkansas approach began in March 2006, and is on schedule for completion in November 2008. By Spring 2009, all work to tie the bridge to U.S. 82 is expected to be complete, with the bridge open to traffic.

The new Greenville Bridge is already a Mississippi River landmark and a remarkable engineering achievement. It is well on its way to being the cornerstone of a transportation and economic development vision for the Mississippi Delta.

OFFICE OF ADMINISTRATIVE SERVICES

Financial Management and Budget

Managing Transportation Funding

MDOT is funded through appropriations by the U.S. Congress and the Mississippi Legislature. Congress provides funding through the Federal Highway Administration, the Federal Transit Administration, the Federal Railroad Administration, and the Federal Aviation Administration. For Fiscal Year 2006, the MDOT received \$713.6 million in federal funds.

State Revenue Sources: The Mississippi Legislature provides state funding through motor fuel taxes and other fees. Mississippi has a fuel tax of 18.4 cents per gallon. Under the Mississippi statutes, MDOT receives approximately 70 percent of total fuel taxes. MDOT received 73 percent of that amount last fiscal year—\$305 million. The statutes allocate millions of dollars to non-road construction entities such as Wildlife and Fisheries and Marine Resources. And, then the remainder by statute goes to cities and counties for road projects, the State Aid Road fund for county bridge replacements, and the bond sinking fund. MDOT is also funded through receipts derived from other dedicated state taxes such

as truck and bus fees, which include the truck and bus privilege tax, weight and size permits, and trip permits; a contractor's tax of 3.5 percent assessed on certain highway construction contracts; a \$5 per vehicle tag registration fee; lubricating oil tax; and interest income.

Federal-Aid Highway Program: Federal highway construction assistance is paid to all states through the Federal-Aid Highway Program (the Program). Funding is derived from revenues collected by the U.S. Treasury from certain federal taxes on fuel, tire sales, and other items, which are deposited into the Federal Highway Trust Fund.

Distribution of assistance from the Highway Trust Fund is subject to periodic authorization and annual appropriation by Congress. Since such assistance was established by the Federal-Aid Highway Act of 1956, the program has been reauthorized many times in various forms at generally increasing funding levels. Actual payments to states have continued without interruption since 1956.

Certain Federal-Aid Highway Program features are explained below:

■ *The Federal Highway Trust Fund*

The HTF is a dedicated federal fund with dedicated revenues held in trust for reimbursement of expenditures by the states for costs of eligible transportation projects, including highway projects.

■ *Authorization*

Authorization is the process by which Congress authorizes the expenditure of federal revenues on federal programs. For the Program, authorization historically has been, and continues to be, provided on a multi-year basis. This, together with the availability of HTF revenues and future HTF collections permits states more certainty in planning long-term highway projects.

■ *Apportionment*

For each federal fiscal year (FFY), the Federal Highway Administration (FHWA) apportions the authorized funding among the states according to formulas that are established in authorizing statutes. The distribution of federal funds that do not have a statutory formula is called “allocation” rather than “apportionment.”

■ *Obligation Authority*

“Obligation” is the commitment of the federal government to pay, through reimbursements to a state, its share of the eligible expenditures on an approved project. The amount of such federal revenues that a state can obligate in a given federal fiscal year is called its “Obligation Authority.”

Role of Obligation Authority: The culmination of the federal authorization and appropriation process for the Program is the provision of Obligation Authority to a state. Obligation Authority, which is apportioned to states on an annual basis, sets the upper limit on the federal government’s commitment to pay, through reimbursements, its share of eligible expenditures on approved projects. Current year Obligation Authority plus prior years’ Obligation Authority obligated but not yet expended determines the maximum amount of federal highway assistance that a state may receive under the Program. Although annual Obligation Authority is not a direct representation of the amount of reimbursements a state will receive under the Program in a given year (e.g., due to lags in spending), Obligation Authority levels will determine over time the amount of reimbursements that a state may receive. Mississippi has received substantial funding through the Program.

Use of Obligation Authority: Mississippi has consistently utilized its entire total Obligation Authority. MDOT reasonably expects to continue to utilize its entire total Obligation Authority.

Future Utilization of Federal Highway Assistance:

Under the Federal-Aid Highway Program, as projects are approved by the FHWA, the aggregate dollar amount of each state contract relating to that project is obligated against the remaining annual amount of Obligation Authority still available to that state. The state then pays the amounts owed under each contract as the work progresses and receives reimbursement from the federal government for the federal share of the total costs. The aggregate amount of reimbursements received by a state in any year is not necessarily equal to the state’s apportionment for that year. Many projects and contracts extend over several years. The aggregate amount made available to a state in any one year, if fully obligated, may be received as reimbursement over a longer period of time relating to the actual period of construction. MDOT expects that, as a result of its extensive statewide road and bridge program, it will have sufficient federally-eligible project expenditures to be able to utilize all program assistance that may be made available to Mississippi.



Revenue: MDOT’s total revenue for FY2006 was \$1,165.4 million. State motor fuel taxes and federal funds provided 87 percent of the department’s funding for FY2006.

MDOT received \$305 million in funds from state motor fuel taxes during this reporting period. As stated above, the state motor fuel tax is a primary funding source for the department. Other state taxes for fiscal year 2006 included the following:

Truck/Bus Tax Fees	\$59.9 million
Contractor’s Tax	\$3.3 million
Lubricating Oil Tax	\$1.3 million
Railroad Mileage Tax	\$0.2 million
Tag Fees	\$15.3 million

Overseeing Transportation Expenditures

MDOT’s budgetary expenditures for FY2006 totaled \$1,232.9 million. As shown below, the large majority of the department’s expenditures were focused in the Construction Program (dollar amounts are in millions):

Maintenance Program	\$168.7	13.7%
Construction Program	\$958.2	77.8%
Administration Program	\$27.2	2.2%
Equipment & Buildings	\$23.1	1.9%
Debt Service Program	\$28.0	2.3%
Enforcement Program	\$12.2	0.9%
Aeronautics, Rails and Transit Programs	\$15.5	1.2%
TOTALS	\$1,232.9	100%

FHWA Emergency Relief Funds: In the aftermath of Hurricane Katrina on August 29, 2005, MDOT was appropriated \$1.013 billion in FHWA Emergency Relief (ER) funds to rebuild infrastructure along the Gulf Coast and remove debris from roadways throughout the state. Final approval of this ER appropriation was on January 20, 2006. MDOT used \$105 million of regular obligation authority to fund ER projects while awaiting final approval of the ER appropriation. In FY 2006, MDOT

received \$280 million as reimbursements from FHWA on ER projects. It is estimated that MDOT will receive \$563 million in reimbursements on ER projects in FY 2007 and receive the remaining \$170 million in FY 2008.

Bonded Debt: State statutes provided authority for the issuance of \$200 million in bonds for the Four-Lane Highway Program and \$325 million in bonds for the Gaming Roads Program. The State Bond Commission has issued bonds for these programs as follows:

- *1987 Four-Lane Highway Program*
 - June 1999: \$200 million in 10-year revenue bonds
- *Gaming Roads Program*
 - July 1998: \$125 million in 20-year general obligation bonds
 - October 2000: \$100 million in one-year general obligation notes
 - October 2002: The State Bond Commission issued \$200 million in general obligation bonds to retire the outstanding \$100 million in general obligation notes and to provide \$100 million for new Gaming Roads Program construction.
- *Under the H.E.L.P. statute, MDOT through the Mississippi Development Bank and local partners has issued:*
 - January 2005: \$45 million in special obligation bonds for the paving portion of State Route 304 for Tunica County.
 - October 2005: \$102,000,000 for Harrison County State Route 601/Canal Road and \$32,000,000 for the City of Laurel I-59 “S” Curve.
 - October 2006: \$145,000,000 for Madison County I-55 interchange, connectors and frontage roads.

Balancing MDOT’s Budget

MDOT’s budgeted expenditures (as appropriated by the Mississippi Legislature) for fiscal year 2007 are \$920 million while estimated receipts are \$920 million.

Achieving Financial Successes

In the 2005 Annual Report we discussed some of the financial challenges that MDOT is facing. Although those challenges have not dissipated, we have enjoyed noteworthy successes during 2006. One example is MDOT’s new \$100,000,000 Commercial Paper program. The program provides the cash flow to keep MDOT’s robust construction program advancing full speed during the busy summer construction season, even though federal funding schedules and state tax collections do not always correspond to seasonal variations



“MDOT’s H.E.L.P. program leverages funding to accelerate construction of planned projects—providing much-needed infrastructure years before it would otherwise be completed.”

in MDOT's obligations. The commercial paper allows MDOT to keep less cash on hand and thus fully utilize its revenue for projects.

MDOT also continued its innovative financing program entitled Highway Enhancement through Local Partnerships (H.E.L.P.). MDOT has entered into six H.E.L.P. cooperative agreements with cities and counties to accelerate previously scheduled highway construction projects.

These projects, featured in the "Major Projects and Programs" section of this report," are: a paving project on State Route 304 in Tunica County, with bonds issued in the amount of \$45,000,000; State Route 601/Canal Road in Harrison County, bonds issued in the amount of \$102,000,000; the I-59 S-Curve in the City of Laurel, bonds issued in the amount of \$32,000,000 and the new split diamond interchange in Madison County, bonds issued in the amount of \$145,000,000, and agreements with Marshall and DeSoto counties to finance sections of I-269, but no bonds have been issued yet. More H.E.L.P. agreements are planned in the future.

It is particularly noteworthy that in the aftermath of Hurricane Katrina, when concern arose within financial markets regarding the stability of the State of Mississippi, MDOT's H.E.L.P. bonds earned a nomination as "Deal of the Year" from *The Bond Buyer*, the paper of record for the municipal finance industry and in 2006 MDOT H.E.L.P. bonds received a rating upgrade from Standard and Poors rating agency.

Professional Development Investing in Our Workforce

MDOT invests in its employees throughout their careers, expanding technical expertise, honing leadership abilities, and enhancing strategic performance.

The Professional Development Division's multi-faceted approach to workforce development is customized for each situation, topic, and learner. It involves identifying broad training and development needs through the insight and guidance of MDOT's Training Committee. The Training Committee is comprised of executive-level decision-makers representing each discipline, geographic area, and division within MDOT. Its carefully balanced composition ensures that every employee at MDOT is represented by a member of the committee.

Needs identification extends through division directors and managers to individual employees as they work with mentors and coaches to target focus areas for their own growth. This collaborative approach encourages individual initiative in setting and achieving training and development objectives while

ensuring that overall training priorities are strategically consistent with MDOT's mission and goals.

With training needs identified, the Professional Development Division directs the creation and delivery of customized training programs and other development opportunities. The division emphasizes attentive customer service in working with MDOT employees at all levels, and actively builds partnerships with professional organizations and resources outside the department.

Preparing our Future Leaders

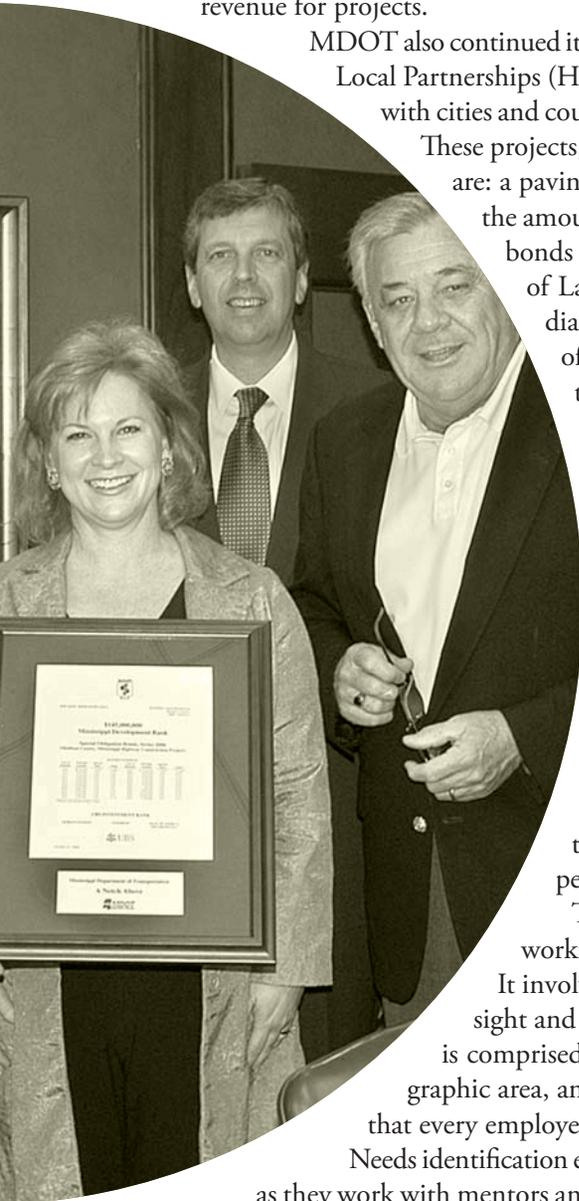
Following the graduation of 90 MDOT employees from the pilot LEAD program in April 2005, the Professional Development Division refined the highly successful management training program in FY 2006 and began preparations for its second LEAD class. Opening retreats were scheduled for July and August 2006, and 60 participants were selected for the LEAD class through a competitive application process.

Building on the success of LEAD, the Professional Development Division created concepts for two additional programs, PEAK and HORIZON, which were adopted by the MDOT Training Committee for implementation in FY 2007. The PEAK Program is geared toward employees in front line supervisory positions. The HORIZON Program will enrich professionals in all areas of the agency, including all levels of engineer job classes and other professional supervisory and management personnel.

Sharpening Technical Skills

In May, the Professional Development Division hosted the annual Engineering Technicians Conference in Choctaw, Mississippi. More than 250 engineering technicians participated, representing every MDOT district and the central office as well as consulting engineering firms.

Training included sessions on technical topics such as Contract Plan Assembly, Effective Erosion Control,



Submitting Final Plans, Concrete Field and Lab Testing, and Tying GIS and CADD Together. MDOT Executive Director Larry L. “Butch” Brown delivered the closing remarks, reinforcing the importance of engineering technicians to MDOT and the transportation industry.

Earning State Certifications

The Professional Development Division continued to facilitate the participation of MDOT employees in the State Personnel Board’s Administrative Support Certification Program (ASCP), the Basic Supervisory Course (BSC), Certificate in Supervisory Management (CSM) and the Certified Public Manager Program (CPM).

Number of MDOT employees earning state certifications in FY 2006:

ASCP:	35
CSM:	2
CPM:	5

Enhancing Customer Service

Under the direction of MDOT Deputy Executive Director Brenda Znachko, 121 employees within the divisions comprising the Office of Administration participated in a Customer Service Initiative during Spring 2006, which included a series of Interpersonal and Organizational Communications classes. As part of the initiative, every work team under the Office of Administration produced and implemented a customer service plan.

Maintaining a Positive and Respectful Culture

The Professional Development Division continues to facilitate mandatory employee training on fundamental topics such as eliminating workplace harassment. This year, 74 workplace harassment sessions were held for MDOT employees statewide.

The Professional Development Division also implemented new training sessions in diversity, holding 15 Championing Diversity sessions at MDOT offices

around the state. The sessions emphasize the value of a diverse workforce and assist participants in embracing diversity.

Supporting Transportation Studies

The Professional Development Division awarded scholarships totaling \$7,500 to four Mississippi community and junior college students pursuing transportation-related careers. The scholarships are funded by the Southeastern Association of State Highway and Transportation Officials (SASHTO), a consortium of the 12 southeastern state departments of transportation.

MDOT-SASHTO scholarship applicants are required to demonstrate strong civic involvement and must be a dependent of an MDOT employee. They must maintain at least a 2.5 GPA and exhibit a strong interest in transportation-related career areas. Additionally, applicants must be accepted or enrolled in one of the 15 community or junior colleges governed by the Mississippi State Board for Community and Junior Colleges.

Communicating and Serving in a Crisis

As part of the Office of Administrative Services’ implementation of emergency plans before, during, and following Hurricane Katrina, the Professional Development Division assisted with implementing the training of 49 Crisis Call Center volunteers from the agency. This training was designed to equip volunteers with practical information needed to address the concerns of members of the public during and following an emergency such as a hurricane.

Representatives of the Professional Development Division also volunteered their service at the coast following Katrina, working alongside hundreds of other MDOT volunteers.

Caring for Those in Need

All MDOT employees were affected by Hurricane Katrina in some way, and many suffered devastating

losses. Under the direction of MDOT’s commissioners and executive leadership team, the Professional Development Division immediately sought practical ways to help those families rebuild their lives. Using the Mississippi Department of Mental Health’s Region 8 staff as a conduit, the division coordinated the collection of nearly \$80,000 in cash assistance and substantial non-cash assistance for our MDOT family members that were directly affected by the storm. In all, 61 families benefited from this initiative.

Addressing Obstacles to Success

The Professional Development Division administers MDOT’s Employee Assistance Program, which provides free, confidential counseling and support to employees facing difficult situations that affect their job performance. Services are provided by the Mississippi Department of Mental Health’s Region 8, which also conducts group sessions, private screenings, and makes recommendations for counseling and other treatment. In FY 2006, an especially trying year for the hundreds of employees dealing with the aftermath of Hurricane Katrina, more than 900 inquiries were made via the Employee Assistance Program.

Conducting Educational Outreach

MDOT recognizes that in order to ensure a strong future for the agency and the state, it must have a continual pool of qualified candidates for job openings today and tomorrow. Finding qualified candidates, especially for technical positions, is a challenge faced by departments of transportation throughout the U.S. MDOT is actively investing in Mississippi’s future by encouraging our youngest citizens to pursue careers in transportation and to improve their math and science performance.

The Professional Development Division’s educational outreach initiatives are targeted toward specific audiences. Although most programs are geared toward students, community outreach is also a priority—re-

mind taxpayers of the vital role transportation plays in their everyday lives.

Below are highlights of MDOT's educational outreach accomplishments in FY 2006.

- MDOT's four-week Mississippi Summer Transportation Institute provided 25 minority high school students with intensive exposure to the transportation industry through classroom sessions, demonstrations, workshops, and tours.
- The TRAC (TRANSPORTATION and CIVIL ENGINEERING) program was formally adopted into the statewide seventh grade curriculum by the Mississippi Department of Education.
- TRAC reached 38,000 Mississippi students, exposing them to technical careers in transportation and making math and science fun through hands-on activities.
- MDOT provided classroom supplies for RIDES (Roadways into Developing Elementary Students), the companion program to TRAC geared toward younger students, to Gulf Coast school districts most severely affected by Hurricane Katrina.
- MDOT trained 100 elementary school teachers in the RIDES educational modules during Summer 2006.

Reducing Litter

The Professional Development Division's anti-litter initiatives are another essential aspect of MDOT's educational outreach. Litter is unsightly and also costly—MDOT spent \$3.2 million in FY2006 to remove litter from our state-maintained highway system in order to mow and maintain the right-of-way along our highways. Reducing litter is therefore a serious issue for MDOT and remains a priority.

The Professional Development Division has a statewide anti-litter coordinator based in Jackson and six

anti-litter coordinators representing the districts. These staff members are involved in implementing MDOT's award-winning "I'm Not Your Mama" anti-litter program and Keep Mississippi Beautiful clean-up events.

FY 2006 anti-litter highlights:

- The 2006 National Great American Cleanup kickoff was held in Biloxi, Mississippi, with MDOT volunteering its equipment and many staff members for the event.
- The Jackson Trash Bash, one of several held throughout the state, resulted in a record 417 bags of litter being collected by 234 MDOT volunteers.
- In all, 1,835 volunteers participated in trash bashes statewide this year, picking up 7,987 bags of litter along state-maintained highways.
- MDOT hosted anti-litter booths at several highly visible events, including the Mississippi State Fair, the Mississippi-Louisiana Wildlife Expo, Renewable Energy Day, and Kid's World in Jackson.
- Building on the success of the "I'm Not Your Mama—Pick It Up, Mississippi!" anti-litter television commercials and print ads, the Professional Development Division launched a series of four anti-litter radio commercials with sports

themes targeted toward a young male audience.

- The Professional Development Division sponsored a formal highway litter survey in April 2006 to quantify progress toward eliminating litter.
- MDOT received several awards for its anti-litter initiatives, including the Keep America Beautiful State Department of Transportation Partner Award.
- MDOT conducted more than 500 school and community anti-litter outreach programs throughout the state featuring the popular "Myrtle the Turtle" puppet.

Asset Management

The Asset Management Division is responsible for facilitating the annual audit of MDOT fixed assets which is conducted by the Office of the State Auditor. For FY 2006, areas audited included two districts and selected Jackson office divisions. In his report, the auditor noted that MDOT properly accounted for a total of 8,372 assets valued at \$51,668,050.62. The auditor further stated, "The Asset Management Division has made great strides over the last few years, making the agency one of the easiest to audit of all state agencies."

The Asset Management Division is also responsible for disposal of used equipment via various approved processes. In FY 2006, we disposed of 635 assets, including 230 titled vehicles, through six public auctions and two governmental sealed-bid sales. The disposal of these assets generated \$1,088,500.58, an 18% return on our original investment. These funds are in turn utilized to purchase new equipment for the Department.



OFFICE OF HIGHWAYS

Bridges

According to the Federal Highway Administration (FHWA), Mississippi has built some of the most cost-efficient bridges in the southeastern United States. And for several years, MDOT has been recognized by FHWA for the total number of newly constructed bridges on the Federal-Aid System.

The replacement of Mississippi's deficient bridges is an ongoing process and one of MDOT's top priorities. The Bridge Replacement and Rehabilitation Program provides funding assistance for any bridge on a state designated road. Federal law allows between 15 and 35 percent of the funds to be used on the local level. The total FY2006 apportionment was \$59.7 million.

In 2006, MDOT reported a total of 5,564 bridges on the state maintained highway system. Of that total, 1,159 – or 21 percent – were considered structurally deficient or functionally obsolete. In 2006, MDOT reported a total of 10,935 bridges on the non-state maintained system of which 3,200 – or 29 percent

– were considered structurally deficient or functionally obsolete. However, bridge replacement and rehabilitation progress is being made.

Construction Projects

District I

1. SR 6 between SR 76 and SR 342 Let: September 2002 Stage 4, 99% completed Eutaw Construction
2. U.S. 78 from Tennessee to Alabama (future I-22) – Developing Plans
3. U.S. 45 from Noxubee County Line to U.S. 82 – Three (3) condemnations; Letting in 2010
4. SR 6 between SR 342 and SR 145 - Archeological investigation underway

District II

1. MS 304 from US 61 to I-55 and MS 713 Spur (DeSoto and Tunica Counties) - \$53.8 Million - APAC-TN - Scheduled Completion Date: 11/15/2006 - 70% complete
2. I-55 from Church Road to TN State Line - APAC-TN - Scheduled Completion Date: 12/15/2006 - 64% complete - Behind Schedule: 20%
Note: Contract progress shows project to be completed in middle of 2007.
3. I-55 at State Route 4 Interchange - Scheduled Completion Date: 3/28/2006 - 90% Complete - Behind Schedule: 10%

Note: Contract progress shows project to be completed later than scheduled completion date.

4. US 78 from Tennessee to Alabama (future I-22) - Project for Concrete Pavement Repair - Let 3/22/2005 - 74% Complete - There will be future projects to perform miscellaneous upgrades.
5. I-69 - The 304 project shown in above will be part of the future I-69 - Section from East of I-55 to State Route 305 in DeSoto County is in the beginning stages of programming/funding - Other sections are

in the beginning stages of programming and funding as well.

District III

1. Main Span of the Greenville Bridge – 100% completed; Release of Maintenance - September 2006
2. U.S. 61 Bridge Replacement over the Yazoo River near Redwood – Let July 2006; 6% complete
3. I-20 from the MS River Bridge thru Vicksburg – 99% completed; Final Inspection held November 2006
4. MS Approach to Greenville Bridge - Let February 2005; 52% complete
5. AR Approach to Greenville Bridge - Let November 2005; 20% complete

District V

1. Clinton/Raymond Road – Let July 2004 – Key Construction – 73% complete
2. I-55 south Nissan Interchange – Let September 2003 - Complete
3. The Stack Phase III – Let November 2002 – 85% Complete

District VI

1. SR 605 from I-10 to SR 67 - \$16M – Warren Paving – 93% complete
2. SR 67 from SR 605 to U.S. 49 - \$18.9M – Huey Stockstill Inc. – 36% complete
3. I-59 Laurel “S” Curve – Tanner Construction Co. - 11% complete
4. SR 601 Canal Road Connector – Purchasing Right-of-Way
5. SR 590 from U.S. 11 to SR 29 – Scheduled for a June 2009 Letting
6. US 90 Bay St. Louis Bridge Replacement - \$267M - Granite Archer Western - 53% complete
7. US 90 Biloxi Bay Bridge Replacement - \$339M - GC Constructors - 6% complete

District VII

1. Liberty Road Interchange in Natchez (Adams County) -- Let on June 2005 to Tanner Constr. Co. -- 35% complete June 30, 2006
2. US 84 from Lincoln County Line to Old SR 27 -- Let to W.E. Blaine & Sons -- 69% complete June 30, 2006
3. US 84 from Monticello Bypass to Jefferson County Line -- Let to W.E. Blaine & Sons -- 27% complete June 30, 2006
4. US 84 from Prentiss Bypass to Covington County Line -- Let to Tanner Construction Co. -- 20% complete June 30, 2006
5. US 84 from Old SR 27 to the Monticello Bypass -- Let to L & A Construction -- Completed October 2006
6. US 84 Prentiss Bypass -- Scheduled to be let February 2007
7. US 84 paving the Collins Bypass -- Scheduled to be let February 2007

Environmental Respecting Resources

The Environmental Division plays a vital role in MDOT’s execution of its mission to “provide a safe intermodal transportation network that is planned, designed, constructed and maintained in an effective, cost efficient, and environmentally-sensitive manner.”

Within the transportation arena, “environmental sensitivity” means more than just avoiding a wetland area or saving a tree. It means investigating any potential impacts that a proposed transportation project may have on a host of resources—resources in both the natural environment and the human environment. It is the goal of MDOT to first avoid potential impacts, then to minimize unavoidable impacts, and

finally, to mitigate for those unavoidable impacts—all in compliance with the National Environmental Policy Act (NEPA) of 1969.

Most people are familiar with natural resources, the most well-known being wetlands, streams, wild and scenic rivers, threatened or endangered species and coastal resources. But there are also a number of potential impacts that may occur within the human environment that must also be considered prior to construction of a transportation facility. These impacts include commercial and residential relocations, effects to the local economy, modified land use, farmland impacts, increased noise levels, visual impacts, and the affected cohesion of a community. Other concerns include historical and archaeological sites that may be impacted by a proposed project.

Once these potential impacts are identified, they are investigated to ensure that all possible avoidance, minimization, and mitigation efforts have been utilized prior to the design and construction of a transportation facility.

“A balanced approach meets transportation needs while respecting the natural and human environment, ultimately producing the greatest value.”

Balancing Uses

MDOT’s Environmental Division works with the department’s planners and engineers to balance the need for transportation services and infrastructure with the natural, historic, cultural, and other resources in the project area. Below are examples of projects through which transportation needs were met while the environ-

ment was respected.

Pocahontas Rest Facility

Construction will begin this year on the Pocahontas Rest Facility—a combination rest stop, museum, and nature trail located within the median of U.S. Highway 49 at Pocahontas, Mississippi. The location is also

“Timely maintenance extends the life and performance of our highways and saves millions in reconstruction costs.”

the site of a culturally significant Indian mound and is a Mississippi Landmark. This project is the result of much negotiation and mitigation between the Environmental Division, Federal Highway Administration, several MDOT Divisions, area residents, and many of the federally-recognized American Indian Tribes of Mississippi. It will not only serve as a rest stop for passing motorists and a recreational facility for visitors, but will also provide a look into the history of the area as well as the American Indian culture.

U.S. 45 Columbus Bypass

Being “environmentally sensitive” also includes promoting public involvement during the environmental study process. This has been the focus during the U.S. Highway 45 Bypass Study in Columbus, Mississippi. MDOT coordinated with two elementary schools in Columbus, presenting the children with an overview of the environmental study process and encouraging their involvement through age-appropriate activities. The school students learned how to identify many of the potential impacts encountered during an environmental

study, such as wetlands, archaeological sites, residential relocations, and social effects. They also considered how to mitigate, or “make up for” those impacts. Their ideas, which were presented at the public meetings, encouraged their parents to become more involved.

As a result of this outreach effort, the project received the Lantern Judges Award from the Southern Public Relation Federation (SPRF) as well as other national and international recognition.

Pass Christian / Bay Saint Louis Ferry

In response to the overwhelming damage to the infrastructure along the Mississippi Gulf Coast following Hurricane Katrina, the Environmental Division was asked to assist in the coordination and development of a temporary ferry service between Pass Christian and Bay Saint Louis, Mississippi. Many environmental issues had to be addressed to gain approval for the ferry service. Following an intensive coordination effort with state and federal agencies, the necessary permits were obtained and the environmental clearance was produced in an unusually accelerated time frame.

Maintenance Making it Last

Timely maintenance is the key to keeping costs down. Investing in the appropriate preservation and maintenance of Mississippi’s highways makes them last longer and saves billions in reconstruction costs.

MDOT is responsible for maintaining 14,026 miles of roadway statewide. This includes 1,674 miles of interstate highway, 4,286 miles of U.S. highway, and 8,066 miles of state routes.

Maintenance expenditures for FY2006 totaled approximately \$168.7 million, with an average cost per mile of \$12,025. Routine maintenance—such as patching, sealing, litter removal, and mowing—made up the bulk of the program at a cost of \$65.4 million.

Maintenance repair and overlay projects totaled \$50.4 million. Maintenance expenditures due to Hurricane Katrina accounted for \$19 million.

Other activities, such as the maintenance of MDOT buildings and grounds, hospitality centers, weigh stations, and equipment made up the remainder of the program at a cost of \$33.9 million.

MDOT reshaped 6,116 miles of non-paved shoulders, applied 3,807 miles of pavement striping, and sealed 300 miles of highway. MDOT also resurfaced 788 miles of highway, providing a smoother, safer ride for motorists, and extending the life of the roadway while delaying costly reconstruction.

MDOT maintenance personnel expended 50,651 person-hours picking up 12,910 cubic yards of litter at a cost of \$1,572,231. Another \$1,578,317 was paid for litter removal by contract personnel and county sheriffs who supervised inmate litter removal, bringing the total invested in litter removal for fiscal year 2006 to \$3.2 million.

Routine maintenance activities include restoring roadway surfaces by patching potholes, patching and blading roadway shoulders, assuring proper right-of-way drainage by clearing ditches and making drainage improvements, controlling roadside vegetation by mowing more than 185,638 acres and applying herbicide, providing 24-hour disaster repair upon demand, painting and repairing bridges, and replacing pavement markings and traffic control devices. In addition to the mowing of roadside vegetation by MDOT employees, 85,298 acres were mowed by contract. Other maintenance activities include hot mix asphalt overlays, seal coats, and drainage structure replacements. In addition, MDOT is responsible for traffic signal maintenance for cities with a population of 20,000 and under.

To execute these duties, MDOT’s Maintenance Division must retain an effective and skilled workforce

along with an adequate stockpile of materials and equipment.

MDOT continues to contract security services for all rest areas and welcome center facilities along its Interstates. This security helps ensure that Mississippians, as well as visitors to this state, safely enjoy the use of rest area facilities.

Right-of-Way

Giving Construction the Green Light

MDOT's Right-of-Way Division works with MDOT planners, engineers, and environmental specialists, along with consultants and land owners, to acquire property needed for construction of new or expanded highways. MDOT works with local residents, government officials, and other stakeholders to locate transportation facilities where they will produce the greatest benefit while creating minimum impacts to their surrounding environment.

“Through the Vision 21 Program, the projects that will do the most good for the most people are built first.”

Working with diverse teams to fairly acquire property is a complex and time-consuming process. In FY2006, it was made even more complex by Hurricane Katrina—and time was a luxury we didn't have. One of the division's major efforts was right-of-way acquisition for the replacement bridges carrying U.S. 90 over the Biloxi and Bay Saint Louis bays. The project schedules were extremely compressed because they were being undertaken as design-build projects. Construction began very early in the project schedule, meaning the right-of-way had to be ready within a very short time frame.

Despite the extreme time constraints and the enormous obstacles created by Hurricane Katrina, the Right-of-Way Division accomplished its part of the U.S. 90 bridges projects effectively, efficiently, and on time.

The division achieved several other notable successes. We built on the success of our cooperative approach to right-of-way acquisition piloted on the Highway 19 project from Meridian to Philadelphia, Mississippi, where MDOT staff teamed with consultants to accelerate the process. That stretch of highway is now complete, and the next phase of project development is beginning.

The right-of-way added to the “S-curve” project in Laurel was another top priority. This project was funded by MDOT's H.E.L.P. program, which accelerated its schedule, thus requiring intensive work by the Right-of-Way Division to keep the project advancing.

Another major project was Canal Road in Harrison County, which was made even more challenging by Hurricane Katrina. Right-of-way acquisition began in the midst of hurricane recovery, so there was a need to relocate families who had already been displaced by the storm. MDOT Right-of-Way Division staff were given

additional training to deal effectively with landowners who were suffering the effects of the hurricane. Ongoing cooperation between the Right-of-Way Division, District Six, and the Roadway Design Division has kept the project on track.

The Right-of-Way Division looks forward to continued cooperation with the Districts and other divisions in order to advance projects to the construction phase.

Roadway Design

Projects let between 7/2005 and 6/2006:

Design Build Projects:

Bay St. Louis Bridge: 1/2006, \$266.78 million (second-largest contract awarded in MDOT history)

Biloxi-Ocean Springs Bridge: 5/2006, \$338.63 million (largest contract awarded in MDOT history)

Scott 21: 4/2006, \$3.02 million

AHEAD Projects:

Wayne 84 from Waynesboro to the Alabama state line (grading): 8/2005, \$21.62 million

Lawrence 84 from Monticello to the Jeff Davis county line (paving): 8/2005, \$8.72 million

Greenville Bridge:

Approach project located on Arkansas side: 11/2005, \$65.99 million (fifth-largest contract awarded in MDOT history)

Other Major Projects:

DeSoto 305 widening from Church Road to US 78: 3/2006, \$7.99 million

Jackson 10 widening from I-110 to SR 609 (to alleviate traffic congestion along I-10 in the aftermath of Katrina): 10/2005, \$2.00 million

Jones 59 S-Curve reconstruction – This project has been in the preconstruction phase for nearly 20 years, due to coordination with relocating a minority housing development: let in 6/2006, \$26.03 million

Grenada 51 widening to five lanes through Grenada: 1/2006, \$10.81 million

Construction was completed on the following major sections:

The final four-lane project on US 82 in Montgomery County was opened, finishing US 82 from Arkansas to Alabama.

The final section of SR 25 in Winston County was completed, finishing the section from Jackson to Starkville.

The first section of I-69/SR 304 was opened in October 2006.



“Advances in ITS are enabling Mississippi’s existing highway system to operate more safely and efficiently.”

Traffic Engineering Supporting Highway Safety

The Traffic Engineering Division is responsible for a variety of duties related to the design, operation, and maintenance of MDOT's system of highways with improved safety as a primary goal. These duties include the operation of the sign shop where the majority of signs placed on MDOT-maintained roadways are manufactured, maintenance of all Interstate signing, maintenance of more than 700 traffic signals statewide, and providing engineering and field personnel support to MDOT District Offices. The Traffic Engineering Division regularly fields requests for signs and traffic signals from local governments, business, MDOT personnel, and the general public. The division investigates these requests and then makes recommendations to improve guidance and/or safety on state-maintained highways.

Furthering Education and Coordination

MDOT is finalizing Mississippi's Comprehensive Highway Safety Plan. In the process, MDOT has coordinated with various federal, state, and local safety partners. MDOT hosted two Safety Summits convening all Mississippi highway safety partners to develop strategies for reducing the number of deaths involving motor vehicles. Summit participants established the safety goal to "Save lives and reduce injuries by using partnerships to coordinate and integrate education, enforcement, engineering, and emergency response initiatives."

Implementing State-of-the-Art Technology

The Traffic Engineering Division is in phase II of the Safety Analysis Management System (SAMS) project, which will provide both spatial and non-spatial detailed crash analysis capabilities. This particular phase consists of the design, development, implementation, training, and transition required to incorporate and utilize MDOT's Geographic Information System network to

identify hazardous locations across the state. When the SAMS is complete, it will be the technology backbone of MDOT's hazard elimination efforts. This system will be one of the most leading-edge safety packages in the U.S.

Improving Crash Data Reporting

MDOT, along with the Mississippi Department of Public Safety, recently released electronic crash reporting software at no charge to law enforcement agencies

work zones. The University of Southern Mississippi is in the process of evaluating the effectiveness of this practice. Initial indications show that the law enforcement presence has provided good safety benefits.

Balancing Speed and Safety

The Traffic Engineering Division participated in the National Highway Transportation Safety Association's (NHTSA's) Rational Speed Study again in FY2006. The division conducted dozens of engineering studies

"Mississippi was the first state to successfully complete the national Rational Speed Study, proving that a balance exists between speed and safety."

across the state. This software includes 95 percent of the validation checks that are necessary to capture accurate data. In addition, MDOT purchased and distributed approximately 3,500 Global Positioning System (GPS) units to law enforcement agencies, at no charge, with the understanding that GPS coordinates would be included on all crash reports.

Eliminating Hazards

The Traffic Engineering Division adopted a new Hazard Elimination Plan in April 2005 which better defined how MDOT's Hazard Elimination funds will be used. This plan placed more emphasis on areas of need and clearly defined the process MDOT will use to identify qualified projects. This plan will be updated after SAMS is fully implemented.

Protecting Road Crews

MDOT has utilized paid law enforcement officers in urban work zones over the last several years to provide the motoring public and workers with the safest and best

to evaluate the current speed limits on several miles of U.S. 49 in Harrison County. Upon conclusion of the engineering studies, the speed limits in that stretch were raised. Additionally, MDOT worked with the local law enforcement agencies to provide additional speed enforcement along the U.S. 49 corridor and with the local media to educate the public. Mississippi was the first state to successfully complete this study that illustrated that a balance does exist between speed and safety.

Increasing Seat Belt Use and Reducing DUIs

The Traffic Engineering Division has initiated a safety belt education campaign across the state. A rollover crash simulator is available for demonstration upon request. The division currently demonstrates the simulator at approximately 100 locations a year. This educational outreach is aimed at increasing the safety belt usage rate and ultimately saving lives.

MDOT has also initiated an impaired driving education campaign. A Driving Under the Influence (DUI) simulator is available for demonstrations upon request

across the state. This is a new simulator that will be used in conjunction with the rollover simulator at various schools and/or safety events to educate Mississippi drivers on the dangers of driving while impaired.

Staying Between the Lines

MDOT recently installed rumble strips on Mississippi's entire interstate system. Additionally, the Traffic Engineering Division led MDOT in establishing a policy that rumble strips will be included on all new construction and rehabilitation projects on four-lane divided highways. MDOT has also been installing "rumble stripes"—rumble strips containing the edge line pavement stripe—on various sections of highway to increase wet-night reflectivity. This rumble strip/stripping combination has proven to be similar in effectiveness to more costly forms of edge line pavement striping. MDOT has contracted with a state university to quantify the effectiveness of rumble stripes.

MDOT has established a policy to provide a minimum two-foot wide paved shoulder on all state maintained routes. The shoulders will be installed on all new construction and rehab projects. MDOT believes that the rumble strips and the two-foot wide paved shoulders will help reduce the number of run-off-the-road crashes in our state.

Driving Smarter

Intelligent Transportation Systems (ITS) combines computer and communications technology with real-time traffic management and information coordination to offer tremendous promise for improving the efficiency and safety of MDOT's transportation network. ITS allows MDOT to better manage its existing infrastructure in lieu of continuing to build and expand highways. Over the next 20 years, ITS will be a major contributor to the success of MDOT's long-range plans to better manage and operate our statewide transportation system while enhancing safety.

The Traffic Engineering Division has a significant number of ITS elements already in place and has secured the services of a National ITS Integration Team to assist MDOT with taking ITS in Mississippi to the next level. Existing ITS elements include:

- Statewide Traffic Management Center (Jackson)
- Southaven Combined Regional Center
- Hattiesburg Regional TMC & EOC (under construction)
- Gulf Coast Traffic Operations Center (under construction)
- Columbus Traffic Operations Center
- Oxford Traffic Operations Center (under construction)
- Automated Signal Systems
- Portable Changeable Message Signs
- CCTV Traffic Cameras
- MSTraffic.com website
- Statewide Traffic Communications Network
- Permanent Dynamic Message Signs (under construction)
- On Street Video Detection

Future ITS for Mississippi will consist of several integrated systems serving all modes of travel within our state. Key initiatives will include a variety of specific systems that are operated by multiple agencies and are carefully integrated to achieve optimum effectiveness. They include:

- Advanced Transportation Management Systems
- Advanced Public Transportation Systems
- Advanced Traveler Information Systems
- Coordinated Incident Management Systems
- Advanced Emergency Management Systems
- Road Weather Management Systems
- Hazardous Materials Management Systems

OVERSIZE LOAD

HYDRA - STEER
TRAILERS
ERMC
ELK RIVER MACHINE CO.



“MDOT Enforcement Officers made 80 commercial carrier drug arrests and issued 53 drug citations.”

OFFICE OF ENFORCEMENT

Generating Revenue and Improving Safety

MDOT’s academy-trained, certified law enforcement officers ensure that commercial vehicles and their drivers adhere to applicable laws and regulations. These are primarily laws pertaining to vehicle size and weight, fuel tax compliance, vehicle registration, and driver and vehicle equipment safety. The Office of Enforcement also issues permits for oversize and/or overweight loads.

MDOT operates 29 permanent weigh stations adjacent to highways across the state, including 14 stations on Mississippi’s Interstates. MDOT also operates 77 portable scales for weighing tractor-trailers and other commercial vehicles. MDOT’s Office of Enforcement field personnel consists of 70 single officer units and seven two-officer units. Each unit is a fully equipped law enforcement patrol car with portable scales.

The office continues to operate one port of entry jointly with Louisiana on I-55 at Kentwood, Louisiana, with plans underway to add two additional locations on I-10 at the NASA Scales and I-59 at the Nicholson Scales.

During FY2006, MDOT Enforcement Officers weighed 7,358,752 trucks, issued approximately 11,190 overweight penalties, and issued 20,376 oversize/overweight non-divisible load permits. The Permit Division issued 140,711 permits for oversize/ overweight non-divisible loads, with approximately 30 percent of permits issued via MDOT’s web permitting system.

The Office of Enforcement generated revenues of \$12,930,878 through permit fees and weight penalties.

Keeping Freight Legal and On-Time

Fourteen of the Office of Enforcement’s permanent weigh stations feature electronic pre-clearance of commercial vehicles on the highway, allowing them to bypass weigh stations and avoid delays. The program, called PrePass, is open to carriers with good safety records and tax payment status. Upon approval by the state, the carriers’ trucks are equipped with transponders that emit an electronic signal read by a receiver on the roadside approximately one mile from the weigh station. If everything is in order, the transponder will flash a green light indicating that the driver may bypass the weigh station. The weigh station is simultaneously notified on a computer screen that the carrier will be passing.

Halting Drug Traffic

MDOT’s Office of Law Enforcement, under authority granted by the Mississippi Legislature, is also involved in highway drug interdiction, focusing on commercial vehicles. In FY2006, MDOT Enforcement Officers made 80 drug arrests and issued 53 drug citations.

OFFICE OF INTERMODAL PLANNING

Aeronautics

Keeping Mississippi Soaring

Mississippi's air transportation network is a complex array of hubs connecting the diverse regions of the state with each other and with our national and international transportation systems. Mississippi's most well-known airports are the seven offering scheduled commercial flights: Jackson, Gulfport-Biloxi, Columbus-Starkville-West Point, Meridian, Tupelo, Greenville, and Hattiesburg-Laurel. Mississippi also has 67 general aviation airports owned by local governments, and five privately-owned general aviation airports open for use by the public. General aviation airports serve corporate, business, and privately-owned aircraft, and play a vital role in the livelihood of Mississippi's communities.

Whether they use commercial or general aviation facilities, people and businesses depend on Mississippi's airports to support their most time-sensitive travel and goods movement needs. The owners of those airports—mostly local government entities—depend on MDOT for assistance in developing a safe and effective air transporta-

tion system.

Securing Funding

Under its Airport Development and Improvement Program, MDOT's Aeronautics Division provides technical and administrative assistance to Mississippi's public airport owners (cities, counties, and airport authorities) in developing projects and applying for Federal Aid Airport Improvement Program (AIP) funds. State funds are also provided to supplement owner's funds when needed to obtain federal funding, and to fund state/local projects for development at public airports that have low federal funding priority.

Funding for the operations of the Aeronautics Division comes from a percentage of aviation fuel sales in Mississippi. These collections are: 5.25 cents (\$.0525) per gallon on jet fuel, 6.40 cents (\$.0640) per gallon on aviation gasoline, and 1 cent (\$.01) per gallon of automobile gasoline for which a refund has been made because it was used for aviation fuel. Another revenue source is the 7 percent sales tax collected from automobile parking lots on airports. The revenue in FY2006 was \$1,674,038 from aviation fuel and \$498,800 from parking lot taxes for a total of \$2,172,838.

Mississippi's airports also benefited from \$1,700,000 in multimodal funding (34 percent of MDOT's \$5 million total multimodal funds) used to accelerate high priority airport improvement projects that would produce a positive economic impact on the airport and

“MDOT contributed funds to 70 airport projects in FY2006, supporting economic growth in Mississippi's communities.”

surrounding communities.

Getting Projects off the Ground

In FY2006, MDOT issued 58 funding grants to airports to provide one-half of the required five percent local share for projects being 95 percent funded by the Federal Aviation Administration (FAA). The total cost of these projects was \$42,984,472, which included \$1,157,573 in state funds.

Hurricane Katrina caused substantial damage Mississippi's Gulf Coast airports. Initially, the Aeronautics Division issued relief grants to get the airports back in operation. These grants were later withdrawn when the FAA announced that they were providing 100 percent funding for hurricane-related projects.

Applications for airport multimodal projects were received from 33 locations, 12 of which were approved for funding using the \$1,700,000 airport share of MDOT's multimodal fund and an additional \$350,472 from the Aeronautics Division's annual aviation fuel tax revenue. The projects were selected by a seven-member committee consisting of five airport managers, a representative of the Mississippi Development Authority, and a member of the Aeronautics Division, who administers the projects.

In all, 70 airport projects were funded in part with a total of \$3,208,045 in state funds during FY2006. MDOT made 188 project payments to airport owners totaling \$2,453,680. A total of 47 projects were closed out; 89 projects were still active at the close of the fiscal year.

Preparing Federally-Required Plans

The Aeronautics Division continues to prepare federally-required Disadvantaged Business Enterprise plans for Mississippi's general aviation airports. These plans are required by the new Part 26-Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs. They

must be approved by the FAA before an airport can receive federal funds, but navigating the process can be extremely challenging for general aviation airport owners with a limited staff. The Aeronautics Division prepared or updated 22 plans in FY2006, all of which were approved by the FAA, keeping Mississippi's airports in compliance and clearing the way for federal funding.

The Aeronautics Division also updates the airport layout plans for the publicly-owned general aviation airports in the state. These plans provide for the orderly expansion and development of the airports and must be current in order for the individual airports to receive federal funds. The division updated 15 airport layout plans in FY 2006. Five have been approved by FAA and 10 have been provided to consulting engineers to assist with the preparation of plans for airport development projects.

Inspecting Facilities

The Aeronautics Division's Aviation Safety Program includes annual field inspections of Mississippi's 79 public use airports. Aeronautics Division personnel conduct inspections of the general aviation airports and work with the airport owners to correct any identified safety deficiencies. Information collected during these inspections is also used to update Mississippi's airport master records, aeronautical charts, and aviation publications that are distributed throughout the U.S.

Assisting with Rescue and Relief

The Aeronautics Division provided \$60,000 in FY2006 for the operational expenses of the Mississippi Wing Civil Air Patrol, which provides search and rescue services for missing and downed aircraft and assists with disaster relief. This year, the Civil Air Patrol played a vital role in the Katrina relief effort. The Civil Air Patrol provided transportation for MDOT and FAA personnel conducting aerial inspections of infrastructure damage at airports, bridges, roadways, and other facilities along

the coast.

Building Partnerships

The Aeronautics Division establishes and maintains strong, positive relationships with the state's airport owners, which assists greatly in keeping the state's airports in compliance with federal requirements and accelerating airport development projects. MDOT is an active participant in the Mississippi Airports Association. This year, the Aeronautics Division assisted the association in hosting their 2006 Annual Conference in Philadelphia, Mississippi. The conference hosted 211 attendees and 30 exhibitors.

Mapping the Way

The Aeronautics Division published and distributed the annual update of the Mississippi State Aeronautical Chart and Directory in July 2005. The chart includes an aeronautical map of the state, a directory of Mississippi's public use airports, and other pertinent information for pilots. The aeronautical chart is in great demand by pilots across the state and throughout the U.S.

Planning

Prioritizing the Road Ahead

There are always more worthy transportation projects than there is money to fund them. That is a fact of the transportation sector nationwide, and it certainly holds true in Mississippi. MDOT must ensure that available funds are used in ways that will produce the greatest benefits for Mississippians. Although every MDOT division follows that principle, the Planning Division is charged with strategically identifying and prioritizing transportation projects.

The MDOT Vision 21 Program, which is a continuation of the 1987 Four-Lane Highway Program, enables MDOT to allocate funds to the projects that will produce the most benefit. The Planning Division evaluates and annually updates highway needs based on roadway

condition and the ratio of traffic volume to roadway capacity. Needed projects are identified and prioritized according to objective technical analysis. The near-, mid-, and long-term priorities identified in the Vision 21 Program are used to establish MDOT's construction and maintenance program.

Ultimately, the projects that will do the most good for the most people are built first. This approach generates the greatest possible value from available funds.

MDOT acknowledges the commitment of Mississippi's legislators making possible a needs-based approach to project prioritization and in continuing the vision of the Four-Lane Highway Program.

Managing Federal Funds

The Planning Division manages the Statewide Transportation Program (STP) Funds that the Federal Highway Administration (FHWA) appropriates to MDOT. This program includes small urban areas as well as the metropolitan planning organization (MPO) areas of the Gulf Coast, Hattiesburg, Jackson, and DeSoto County. A total of \$8,915,111 was allocated to these MPO areas during FY2006 as a direct allocation from

FHWA. Urban areas were not federally-funded for the past two years, however the program is expected to resume for all urban areas during 2007.

Moving in More Ways

MDOT's Planning Division developed the Intermodal Connector Improvement Program in 1998 as encouraged by the Intermodal Surface Transportation Efficiency Act. The division provides National Highway System (NHS) funds to improve NHS connectors to intermodal facilities that meet certain cargo requirements. Each eligible facility may submit projects annually; a committee of representatives from those facilities votes on which projects to fund. The Mississippi Transportation Commission provided \$3 million to this program for FY2006, with a 20 percent match required of par-

ticipants. In FY2006, \$2,103,465.00 was allocated to specific Intermodal Connector Improvement Program projects.

Ports and Waterways

The Wave of Our Future

Mississippi's inland and coastal waterways remain a vital element of the state's intermodal transportation system, providing low cost, environmentally-friendly transportation and industrial development opportunities. These shipping arteries are the Mississippi River—the largest commercial river in the U.S.—the Tennessee-Tombigbee Waterway, and the Gulf of Mexico.

Sixteen public ports lie along our waters, six on the Mississippi River, six on the Tennessee-Tombigbee Waterway, and four on the Gulf Coast. Two of these, the State Port at Gulfport and the Yellow Creek Port are under state authority. The remainder are entities of either county or city governments. These ports pump nearly \$2 billion into the state's economy each year—nearly three percent of the total State Domestic Product.

Our ports and waterways are growing in importance as a vital element of Mississippi's intermodal transportation system. Mississippi is geographically positioned to become a leading gateway for the growing Latin American trade as well as trade with the rest of the world. Neighboring states are investing increasing amounts of public funds into their ports, and we must continue to do likewise to remain competitive.

Keeping the Economy

Churning

Mississippi's water ports and connecting transportation infrastructure continue to attract and sustain major manufacturing employers. In FY2006, several new industries located at Tenn-Tom Ports. Skyline Steel LLC of Parsippany, New Jersey, is building a \$17 million plant at Yellow Creek Port. The facility will produce spiral welded steel pipe used in heavy construction. Global Material Service will spend about \$8 million at the Port of Amory for a loading and blending facility for materials to be used at the Kerr McGee plant in nearby Hamilton to make paint pigments. The Lowndes County Port was one of the major reasons that SeverCorr is currently building a new mill near Columbus to make rolled steel, primarily for the automotive industry. The Port is hopeful that much of SeverCorr's steel scrap, pig iron, and finished steel rolls will be shipped through the port. The Lowndes County Port Authority has applied for permits to establish a barge unloading facility to be used by SeverCorr for unloading scrap metal that will be transported to their mill near the Golden Triangle Airport.

Building the Missing Links

Perhaps more than any other mode, water ports de-

FY 2006 PORTS MULTI-MODAL PROJECTS SELECTED FOR FUNDING:

<u>PORT</u>	<u>PROJECT DESCRIPTION</u>	<u>AMOUNT</u>
City of Aberdeen	Local Match-Port Access Road	\$150,000
Port of Rosedale	Dry-Bulk belt loading system	170,000
Lowndes Co. Port	50% cost of Hydraulic Crane	207,500
Warren Co. Port	Upgrade to 40 Ton Crane	200,000
Natchez Port	Purchase Mobile Rail Car Mover	200,000
Port of Pascagoula	Repair Terminal GH Warehouse floor	200,000
Port of Gulfport	Construct 250 foot Service Ramp	469,605
Port Bienville	Local Match-Port and Harbor Drive	102,895
Yellow Creek Port	Improvements to 10 mile RR Spur	200,000
	TOTAL	\$1,900,000

pend heavily on efficient connectivity with highway, rail, and air modes. This year, the Mississippi Transportation Commission awarded \$2,103,465 in National Highway System funds for Intermodal Connector Improvement Program projects at Mississippi ports. The Commission established this program to improve the connectors from modal hubs—such as ports—to the National Highway System. In FY 2006, \$1,180,102 was allocated to the Port of Bienville, \$141,600 was allocated to the Port of Lowndes County, and \$181,763 was allocated to the Port of Greenville.

after community, coordinated transportation resources are playing a major role in meeting the mobility needs of local residents.

MDOT and our partners recognize that as the mobility needs of Mississippians continue to become more diverse, there is a growing need to provide more regional transportation options that are affordable, safe, efficient, reliable, and sustainable.

Facilitating Collaborative Planning

In FY2006, through its Public Transit Division, MDOT made significant advances in developing and

ued partnering with an expanding cadre of stakeholders will serve as the central component of our framework for better-coordinated transportation networks that support sustainable community and economic development. Coordinated regional planning helps to focus investments to create the greatest value for Mississippi.

The process of collaboratively planning and coordinating resource allocation has gained momentum throughout the state. Participants in this process acknowledge that our commitment to improving public and social service transportation extends beyond just making more transportation services available. There are also the need to make local transportation services a viable part of the community and economic development strategies of local communities. Consequently we have focused increasingly on better access to employment and training opportunities along with the traditional access to health care, education and social services destinations.

Expanding Urban and Rural Transit Service

One of the most significant indicators of the MDOT's commitment to local transportation can be seen in the investments that were made as a part of the Multimodal Transportation Improvement Program. During FY 2006, awards totaling \$800,000 were made to support capital and operating costs. Recipients included Coast Transit Authority (three Gulf Coast counties), HUB City Transit (Hattiesburg), JATRAN (City of Jackson) and 15 rural transit operators. This investment leveraged more than \$7 million in federal dollars by providing much needed matching funds for the purchase of 20 vehicles and operating assistance. These funds helped support public and coordinated rural transportation services in approximately 41 percent of Mississippi's 82 counties, along with services in the urban areas of the Gulf Coast, Jackson, and Hattiesburg.

As in prior years, the Public Transit Division's core programs during FY 2006 were the Rural General Public

“Coordinated transportation resources are playing a major role in meeting the mobility needs of local residents in urban and rural areas of Mississippi.”

In addition, MDOT allocated \$1.9 million in FY2006 Multimodal Transportation Improvement Funds to projects at the state's ports.

Public Transit

Providing Vital Connections

In urban and rural areas throughout Mississippi, from the storm battered Gulf Coast region to the bustling DeSoto County area, the value of local transportation services is more evident than ever. During this past year, local transportation providers were called upon to transport displaced persons, emergency responders, and goods and supplies as part of the Hurricane Katrina response and recovery effort. At the same time, public transit providers stretched their limited resources to meet the everyday needs of local citizens who depend on transit for access to jobs, health care, education, shopping, and social service destinations. In community

sustaining coordinated transportation networks throughout Mississippi. The division actively partnered with national, state-level, and local stakeholders such as the Community Transportation Association of America, the Mississippi Department of Human Services, the Mississippi Public Transit Association, Jackson State University, and the state Association of Community Action Agencies. Through these partnerships MDOT implemented the first phase of a collaborative planning process.

Taking advantage of the federal United We Ride Initiative, MDOT produced several regional coordination plans and a Statewide Action Plan. These plans were developed based on input from a series of local work sessions. They offer tremendous promise for producing achievable results because they incorporate input from consumers, transit providers, state agencies, city and county governments, university researchers, and legislators. These plans and the Public Transit Division's contin-

Program (Section 5311); the Elderly and Persons with Disabilities Program (Section 5310); the Statewide Capital Asset Acquisition and Management Program, and the Rural Transit Assistance Program. These core programs represented an annual investment of approximately \$12 million dollars to support local transportation services. Other special projects and initiatives included special grants to local municipalities for developing intermodal transportation facilities and grants to support the continuation of inter-city bus services throughout the Mississippi Delta region.

The growth in utilization of local transportation resources is illustrated by the following performance summaries for the Section 5311 Rural General Public and the Section 5310 Elderly and Persons with Disabilities Transportation Programs. During FY 2006, MDOT authorized a total of 18 rural general public transit contractors. Despite a slumping economic environment, these providers reported a 7.5 percent aggregate increase in employment-related passenger trips. This increase included more intra-county commuter trips. During this period there was also a 2.5 percent increase in the number of passenger trips reported by contractors authorized for the more specialized Elderly and Persons with Disabilities Transportation Program. These increases exclude the significant spikes in emergency transportation due to Hurricane Katrina.

Progress continues in building partnerships with municipalities to develop intermodal passenger transportation facilities. Accomplishments this past year include working with Coast Transit Authority and Greyhound Bus to develop a facility in the Biloxi-Gulfport area and providing assistance to the City of Brookhaven to continue work on the planned intra-county commuter park-and-ride facility. During this fiscal year MDOT programmed more than \$750,000 for these facilities.

Railways Rolling Forward

As specified by state statute, MDOT is the steward of railroad conditions and practices in Mississippi. MDOT's Rails Division addresses rail and related highway congestion problems, administers state and federal funds, and conducts statewide safety inspections and projects.

Mississippi's 2,543 miles of mainline railroad provide excellent service between major centers throughout the state. This mileage is comprised of 28 railroads that range in size from fairly short intrastate railroads to components of large rail systems extending from the Gulf of Mexico into Canada. Large rail systems account for more than 75 percent of the state's railways, with smaller operators accounting for the remaining 25 percent.

Passenger rail service is provided by a national railroad passenger cooperation, which operates on three existing freight lines. These services run from Memphis to New Orleans; from Atlanta through Meridian, Mississippi, to New Orleans; and along the Mississippi Gulf Coast from Mobile, Alabama, to New Orleans.

Of the total rail miles in Mississippi, 1,925 are grouped as Class I Major Railroads. Class I Major Railroads are those which consist of 1,000 or more miles of rails and produce annual revenues of \$40 million or more. There are five Class I Major railroads in Mississippi. Class III Local Railroads, which are railroads of 100 miles or less, account for the remaining miles.

Supporting Economic Growth and Technical Advances

The Gulf Coast High Speed Rail Corridor was officially designated by Congress in 1999 as a potential

candidate for high speed passenger rail service. The corridor runs from Houston to Pensacola, Florida, through Gulfport, Biloxi, and Pascagoula, Mississippi. The feasibility of high speed rail in this corridor is being studied.

Saving Lives through Safer Crossings

MDOT's Rails Division Engineer, Steven Edwards, serves as the Chairman of the Board of Directors of Mississippi Operation Lifesaver, a non-profit public education and outreach program designed to reduce collisions, deaths and injuries at railroad crossings and railroad rights-of-way. MDOT's Rails Division Inspectors are frequently involved with Operation Lifesaver, assisting with railroad/highway grade crossing safety blitzes.

During FY2006, the Mississippi Transportation Commission approved approximately 55 grade crossing signal and surface projects. There were also approximately 10

“MDOT obligated \$5 million in federal funds to railway crossing safety improvements.”

grade crossings closed to reduce potential collisions, and approximately \$5 million in federal funds obligated for safety improvements.

Railroad safety continues to be a primary concern at MDOT. Since 1975, more than \$86 million in federal safety funds have been obligated to upgrading and improving railroad signals and railroad crossing surfaces.

COMMITMENT TO FAIR PRACTICES AND EQUAL OPPORTUNITY

MDOT exceeded its federal DBE participation goal in FY2006.

Leveling the Playing Field

MDOT remains committed to treating its employees, contractors, and customers fairly and respectfully. The Office of Civil Rights oversees MDOT's compliance with state and federal equal opportunity regulations. The office also directs MDOT's Disadvantaged Business Enterprise (DBE) program, designed to assist small minority-owned and woman-owned firms that may not otherwise be able to compete on equal basis with non-disadvantaged businesses for contracts and subcontracts in the transportation industry. The division certified 33 DBE firms during FY2006.

Exceeding Expectations

To comply with federal reporting requirements, MDOT's Office of Civil Rights tracks DBE participation according to the federal fiscal year, which varies slightly from the MDOT fiscal year. Information is not yet available for Federal Fiscal Year 2006 (October 1, 2005, through September 30, 2006). However, for the previous federal fiscal year, ending September 30, 2005, MDOT placed \$353,355,789 in federal-aid highway funds under contract. MDOT's DBE goal for federal FY05 was 10 percent, of which 3 percent was to be achieved through race-conscious means and the remaining 7 percent through race-neutral means. During this

reporting period, MDOT's DBE commitments totaled \$39,831,935 in contracted federal-aid, representing an 11.27 percent overall attainment. Of that amount, 6.01 percent (\$21,257,477) was attained through race-conscious means and 5.26 percent (\$18,574,458) through race-neutral means.

MDOT's proposed DBE participation goal for Federal Fiscal Year 2007 (October 1, 2006, to September 30, 2007) is 10 percent. Of that, half is to be achieved through race-conscious means and half through race neutral means.

Creating Opportunities

The Office of Civil Rights, in conjunction with the Mississippi Road Builders Association and SJB Group, Inc., hosted a networking event to introduce prime contractors to DBE subcontractors. Approximately 20 DBE subcontractors participated and discussed partnering opportunities. This event helps MDOT meet its DBE participation goal and helps the state's disadvantaged businesses thrive.

Preventing Discrimination

Office of Civil Rights personnel attended a two-day Title VI Training program in March 2006. The session, entitled "Preventing Discrimination in the Federal Aid Program: A Systematic Interdisciplinary Approach," was

coordinated and conducted by the Federal Highway Administration. It provided an overview of what a state department of transportation's roles and responsibilities are in fulfilling its obligations to Title VI of the Civil Rights Acts of 1964. It also provided guidance on what is needed to develop and implement an efficient Title VI Compliance and Implementation Plan. Although the training was only offered to the Office of Civil Rights, the office's goal is to extend the training to other MDOT divisions in the coming year.

MDOT's innovation, dedication, and results are regularly recognized through awards presented to MDOT and its people by state and national organizations. Below are highlights of MDOT's FY2006 awards:

2006 AASHTO President's Award for Administration presented to Brenda Znachko, Jimmy Davis, Mark Valentine, Byron Flood and Jeff Wheeler

This national award is given by AASHTO for exemplary service performed during the year. MDOT's finance team was recognized for a variety of items including implementing a new innovative financing program to accelerate needed construction projects and for their financial planning that helped MDOT meet the financial challenges faced by the agency after legislative diversions of highway funds, as well as the devastating impact of Hurricane Katrina.

PIARC Prize for Communication (finalist) presented to Danada McMurtry, Director, Professional Development Division by the World Road Association, Paris, France

Recognizing innovation in communications in the transportation industry. As a national finalist, Danada McMurtry is representing the U.S. in the international PIARC Prizes 2007 competition, to be awarded in September 2007.

Mississippi Government Engineer of the Year presented by the Mississippi Engineering Society to Steven Twedt, District Six Construction Engineer

Recognizing an individual in government who goes beyond the call of duty to uphold the highest standards of engineering

Patriotic Employer Award presented by the Employer

Support of the Guard and Reserve

Recognizing MDOT's cooperation and support of its employees who are members of the National Guard

PRIDE Award for Public Education

presented by the American Road & Transportation Builders Association

Recognizing MDOT's anti-litter program, "I'm Not Your Mama, Mississippi—Pick it Up!"

PRIDE Award for Community Relations

presented by the American Road & Transportation Builders Association

Recognizing MDOT's extraordinary efforts before, during, and after Hurricane Katrina

Road Beacon Conservation Award presented by The Road Beacon Magazine

Recognizing MDOT's continuing efforts to preserve ecological places in Mississippi

Keep Mississippi Beautiful Awards

- First Place, State Government: MDOT's Anti-Litter Program
- Second Place, State Government: MDOT Litter Survey
- Partnership Award to MDOT, Forrest Gordon, John Welch, and Ronell Cummins for Exemplary Support of Keep Mississippi Beautiful



LEADING THE INDUSTRY

BUILDING ON VALUE

As highlighted in this report, each of MDOT's divisions is achieving substantial results and delivering tremendous value for the people of Mississippi. Where we have been and what we have accomplished is important, but we must now focus on where we are headed in FY2007.

First, we are maintaining our commitment and momentum in rebuilding Mississippi's coast. Hurricane Katrina may have occurred more than a year ago, but we have miles to go before normalcy is restored in the areas that were hardest hit. This coming year will bring important milestones in the replacement of the U.S. 90 bridges and other major transportation infrastructure that was severely damaged. Restoring these vital connections remains one of MDOT's top priorities.

Next, each operational area is focused on producing continuous improvement. We must always be challenging ourselves and our colleagues—finding ways to serve

our customers even better while doing our jobs more efficiently. In doing so, we continue to innovate and execute MDOT's mission.

Finally, MDOT continues its initiatives aimed at strengthening intermodal transportation. Mississippi's highway system is vitally important to our economy, our communities, and our way of life. However, highways are only one of the ways in which people and goods move within and through the state. MDOT is strategically enhancing a strong transportation system that increasingly connects different transportation modes. A truly intermodal transportation system provides more choices, flexibility, and greater efficiency for moving Mississippi's people and products.

In each of these focus areas we are working to produce the best possible results with available resources—building on the successes of FY2006 while contributing to Mississippi's promising future.

SCHEDULE OF CONVENTIONS ATTENDED

by MDOT Personnel for the Fiscal Year Ended June 30, 2006

CONVENTION: Southeastern Association of State Highway and Transportation Officials

SASHTO 2005 - Puerto Rico

Total Expenses - \$ 11,168.17

PURPOSE: To participate in discussions of administration, construction, maintenance, and other operations on a regional level in order to share problem-solving techniques unique to this region.

Those attending:

William R. Balentine
Wayne H. Brown
Larry L. Brown
Richard E. Hall
Harry L. James
William R. Minor
Elizabeth A. Watson
Brenda S. Znachko

CONVENTION: American Association of State Highway and Transportation Officials

AASHTO 2005 - Nashville, Tennessee

Total Expenses - \$ 14,623.00

PURPOSE: To participate in discussions of administration, construction, maintenance, and other operations on a national level in order to share problem-solving techniques and to forge a cohesive national transportation system.

Those attending:

William R. Balentine
Elizabeth G. Blain
Larry L. Brown
James Q. Dickerson III
Jackie R. Duckworth
Steven K. Edwards
John D. Foster
Amy A. Hornback
Harry L. James

Elton E. Jay
M. Susan King
Danada F. McMurtry
William R. Minor
Jeffrey A. Pierce
Edward B. Swales
Williams P. Swindoll
Ruthann L. Vercher
Elizabeth A. Watson
Brenda S. Znachko

For a report on automobile operating costs, maintenance & construction expenditures, and contracts awarded during fiscal year 2006, please visit MDOT's website at www.goMDOT.com/news/.

You may also request a printed copy by writing to: Outreach Division, Mississippi Department of Transportation, Post Office Box 1850, Jackson, Mississippi 39215

