

Opportunity is knocking on Gov. Otter's door

Marty Trillhaase/Lewiston Tribune

Until now, timing has not been Idaho Gov. C.L. (Butch) Otter's friend.

When he tried to shore up Idaho's highway and bridge network with registration fee and fuel tax increases in 2008, the price of gasoline was hitting \$4 a gallon - and \$5 a gallon was not out of the picture. Lawmakers resisted before offering him the modest package that included a 3-cent boost in Idaho's 25-cent-a-gallon fuel tax. Otter said no.

The following year, the price of gas was down, but that was because the national economy was imploding. Again, it was hardly the time to hit consumers with a tax hike and Idaho's conservative Legislature refused to follow Otter's lead.

Four years ago, Otter's own task force concluded the state was falling about \$262 million short of meeting its highway and bridge maintenance needs. The governor spent his second term avoiding the issue while he prepared to win his third term.

Now he has his opening.

For one thing, he knows what people think.

Two polls - one from AAA of Idaho, the other conducted by the James A. and Louise McClure Center for Public Policy at the University of Idaho - reached essentially the same conclusion: Tax-adverse Idahoans are persuadable.

AAA's poll, for instance, found Idahoans split right down the middle on the issue of raising transportation fees and taxes - 47 percent for, 47 percent opposed.

The McClure poll demonstrated Idahoans were aware of the problem. Virtually everyone - 98 percent - saw roads and bridges being crucial to Idaho's economy. And while most considered the state system to be in good shape, no more than 27 percent expected them to remain that way in the next decade. Only 31 percent liked the condition of their own county roads.

Erasing the unfair burden motorists are bearing will be key to winning their support, however. When the government contractor Battelle looked at Idaho's cost allocation, it found passenger car and pickup truck drivers are overcharged 26 percent while semi-truck operators are undercharged 27 percent.

At least, Otter finally has the wind at his back: Fuel prices are falling while the economy is improving.

Last summer, Idaho's price topped \$3.70 a gallon. With the price of oil collapsing, Idahoans now pay about \$1 less a gallon. Even so, retailers are reaping a windfall - their margins are four times larger than normal - so the price ought to drop even lower.

Moreover, the market has a predictable pattern: Gas prices typically fall during the winter and rise again during the spring. At its low point on Jan. 1, Idaho's average gas price was \$3.13 a gallon.

Even if the cost rises during the spring and summer, AAA expects the state's fuel price to average about \$3.15 a gallon for the rest of the year - or about 10 percent less.

For the sake of argument, say Otter wants to raise about \$80 million from fuel taxes. That would require a 10-cent increase. Consumers may not feel it - especially if the state adjusts for the seasonal fluctuation. Why not boost the amount of the tax increase in the winter when fuel prices are hovering near their seasonal lows? When the summer price surge comes on, ease up on the state tax a bit.

It's not a perfect solution. It doesn't raise all the money Idaho needs. The state can't rely on fuel taxes indefinitely when motorists are switching to fuel-efficient, hybrid and electric cars. Unless it's indexed for inflation, the tax increase's purchasing power will erode.

But for the moment, it's a chance to give Idahoans what they say they want - better highways and bridges without a lot of pain.

Otter will never get a better opportunity to deliver. - M.T.