AMERICANS DESERVE A FASTER, BETTER, SAFER TRANSPORTATION NETWORK

NO MORE DELAYS. NO MORE BORROWING. NO MORE EXCUSES.

U.S. CHAMBER OF COMMERCE

FasterBetterSafer
AMERICANS FOR TRANSPORTATION MOBILITY
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INTRODUCTION

Transportation infrastructure policy and funding affects every American, every business, and every community in this nation. The U.S. Chamber of Commerce and the Chamber-led Americans for Transportation Mobility (ATM) Coalition believe strongly that federal investment in highways, public transportation, and safety is necessary for boosting economic productivity, competing in the global economy, and maintaining a high quality of life.

Moving Ahead for Progress in the 21st Century (MAP-21), passed in 2012, is the federal law that sets policy and authorizes states and local governments to spend money out of the federal Highway Trust Fund. MAP-21 is set to expire on May 31, 2015. Congress must act now to reauthorize this law, improve accountability, reform federal policy, and provide sustainable, predictable, long-term revenue for the Highway Trust Fund.

Failure to do so will come at a high price for the workers and businesses who design, build, and maintain infrastructure: design and engineering firms, construction companies, equipment manufacturers and distributors, and materials providers. It will also exact a toll on the economy as a whole by delaying or cancelling important projects that could improve safety, relieve congestion, support supply chains, and get employees to and from work, school, and recreation.

The Chamber and the members of ATM urge Congress to move long-term, fully-funded legislation now so that the roads, bridges, transit systems that are the backbone of the U.S. economy, its businesses large and small, and communities of all sizes are faster, better, and safer.
MAP-21 REAUTHORIZATION AND THE CRISIS SURROUNDING THE HIGHWAY TRUST FUND

The Highway Trust Fund is set to become insolvent—again—in Summer, 2015, creating exponential negative consequences for our economy. What? When? Why? Find out how it can be fixed and what you can do to help.

Where the money comes from for federal spending on transportation:

- Drivers pay user fees of 18.4 cents on every gallon of gasoline and 24.4 cents on every gallon of diesel fuel purchased.

- These proceeds are deposited into the federal Highway Trust Fund (HTF), which is the main source of money for federal road, bridge, and transit spending.

Where the money goes and who decides:

- Most HTF money goes to state departments of transportation (DOTs), metropolitan planning organizations, and local transit agencies.

- State DOTs and local agencies determine their priorities and spend the money to: improve the condition and performance of roads, bridges and transit systems; reduce deaths on our roads—especially in rural areas; relieve traffic congestion; make the transportation system more reliable; spur economic development; and move freight more efficiently.

How critical federal funding is to transportation investment:

- Federal funds provided, on average, 52% of the funding for annual state DOT highway and bridge construction and maintenance projects from 2001-2011 (American Road and Transportation Builders Association “ARTBA”).

- Federal funds provided 45% of highway and transit capital spending (bus purchases and rail construction) in 2014 (Federal Transit Administration “FTA”).

What is the Highway Trust Fund?

The Highway Trust Fund is how Congress provides federal funding for transportation projects. It was created in 1956 to build the Interstate Highway System and now provides funding for roads, bridges, and transit projects across America. The HTF money is from user fees: federal motor fuels taxes on gasoline and diesel fuel.

Historically, federal highway funding has accounted for approximately 45 percent of what state DOTs spend on highway and bridge capital improvements.
The magnitude of the problem today:

- The Highway Trust Fund is projected to go bankrupt by July 2015. Because of this, many states are holding off on the largest and most important projects.

- There is not enough revenue from gas and diesel taxes for the HTF to reimburse states and local agencies for ongoing construction projects.

- If more revenue is not provided, thousands of construction projects across the nation would stop, endangering hundreds of thousands of jobs in construction, manufacturing, and supporting industries.

- Looking ahead, Interstate Highway System is nearly 70 years old—and roads are typically built to last 30 years! It needs to be rebuilt for future generations.

Congress must solve this problem NOW:

- Congress must ensure the HTF does not face bankruptcy again by dedicating additional revenue to it; users should continue to pay for the benefits they receive.

- The simplest, most straightforward and effective option is a modest, phased-in increase in user fees, which have not increased since 1993, when gas cost $1.05 a gallon.

- Over the last twenty years, many items have doubled or tripled their cost. For example, a new car cost $12,750 in 1993, yet in 2013 a new car cost $31,252.

- Today, we’re still paying 18.4 cents per gallon to support transportation investments but it doesn’t go as far. Inflation reduced the purchasing power, vehicles are more fuel efficient and construction costs have skyrocketed.

- The United States cannot build, operate, and maintain a 2014 infrastructure system with 1993 dollars. This is obviously an untenable formula.
HOW THE INSOLVENCY AFFECTS YOU

- About half of capital investments made by states on our nation’s roads, bridges, and transit systems are supported by the federal highway and transit programs administered by the U.S. Department of Transportation.

- Already, infrastructure projects are being slowed or stopped because of the uncertainty surrounding the Highway Trust Fund and whether Congress will take action.

- Disruptions to this process have the potential to send unwelcome shockwaves throughout our economy, decreasing spending, hiring, and damaging any ability to plan for future projects.

**FEDERAL FUNDS, ON AVERAGE, PROVIDE 52% OF ANNUAL STATE DOT CAPITAL OUTLAYS FOR HIGHWAY & BRIDGE PROJECTS**

*ARTBA analysis of Federal Highway Administration Highway Statistics data, total ten year average 2001-2011 from tables SF-1 and SF-2*
Ask your state Department of Transportation to tell you what safety, congestion relief, economic development, bridge repair, bus purchases, or other transportation capital improvements are at stake if Congress does not act.

Nationwide federal funds average 45% of transit capital projects

U.S. Chamber and American Public Transportation Association analysis of FTA data for Federal Fiscal Year 2012
IMPORTANCE OF A FEDERAL ROLE IN ROADS, BRIDGES, AND PUBLIC TRANSPORTATION

Transportation infrastructure is important:

- **To the nation:** A first rate national transportation system is necessary to maintain a first rate economy in the United States. Failure to address transportation problems undermines U.S. economic growth.

- **To you:** Time spent in traffic is time stolen from your family and your business. Congestion slows the movement of food and merchandise. It raises prices and erodes the bottom line.

- **To everyone:** The safety concerns are obvious. Potholes aren’t just unsightly; they damage cars and cause accidents, sometimes fatal ones. Even worse is the high number of U.S. bridges that are structurally deficient. In total, one in nine of the nation’s bridges are rated as structurally deficient, while the average age of the nation’s 607,380 bridges is currently 42 years (American Society of Civil Engineers).

The federal government has an essential, ongoing role:

- The greatest country in the world needs the greatest roads and bridges. These are our roads and bridges. They belong to all of us. They’re our responsibility.

- Unfortunately, much of the U.S. transportation infrastructure—especially that which supports interstate commerce and international trade—is becoming less competitive worldwide.

- If we care about the Americans who built the system, we won’t tarnish their legacy through neglect. And if we care about our kids, we won’t make THEM pay the bill tomorrow for the roads we’re using today.

- We’ll make sure we’re leaving our great nation even better than we found it. We’ll build on the investments made for us. It’s the right thing to do.

Adam Smith—the “father of modern economics”—cited infrastructure investment as one of the “three duties” in his famous The Wealth of Nations: “...the duty of erecting and maintaining certain public works and certain public institutions, which it can never be for the interest of any individual, or small number of individuals, to erect and maintain; because the profit would never repay the expense to any individual or small number of individuals, though it may frequently do much more than repay it to a great society.”
The federal government has a history of leadership in transportation:

- In the 1700s, America joined the ranks of nations as an upstart, unconstrained by the expectations and traditions of other countries. We had to be scrappy. We were building a country from scratch, and in a wilderness no less. Americans slowly migrated westward, with horses and wagons first, then later canals, railroads, and eventually the automobile. Each advance in transportation brought growth, opportunity, and prosperity.

- The U.S. Constitution’s Commerce Clause (Article 1, Section 8, Clause 3) grants Congress the power to regulate commerce “among the several states,” allowing the federal government to invest and maintain roads, bridges, and transit. These constitutional responsibilities formed the basis for the U.S. government to play a significant role in our nation’s transportation and infrastructure system.

- The Interstate Highway System, created in 1956 by President Dwight Eisenhower and built over the next 50 years with user fees paid primarily in the form of taxes on motor fuels, made it cheaper to move goods and people across America, which opened new markets and encouraged development.

- In 1982, President Ronald Reagan signed into law the Surface Transportation Assistance Act, a comprehensive policy and funding bill that invested user fees and general funds in both roads and public transportation.

- The 1991 Intermodal Surface Transportation Efficiency Act (ISTEA) signed by President George H.W. Bush further promoted investment across highways and transit, and was succeeded by the Transportation Equity Act for the 21st Century (TEA-21, 1998), and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU, 2005).

**WHAT IS THE HIGHWAY TRUST FUND?**

The Highway Trust Fund is a supply of money that pays for the country’s Interstate highways and other roads, bridges, and public transit systems – the heart of our surface transportation system.

**WHERE DOES THIS MONEY COME FROM?**

Drivers pay a federal gas tax that acts as a user fee, which helps pay for road upkeep.

**WHO DECIDES WHERE THE MONEY GOES?**

Though the user fees are collected by the federal government, local governments and individual states hold the power to decide how the money is spent.

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**WHAT DOES THE HIGHWAY TRUST FUND PAY FOR?**

1. Interstate highway construction and maintenance
2. Safety improvements like stronger guardrails and better lighting
3. Building and maintaining bridges and roads
4. Safety research and program development
5. Public transportation
6. Advanced technologies to reduce congestion
Our country’s transportation system faces a financial crisis, with its main source of money, the Highway Trust Fund, barely staying solvent. Learn how our current funding system is designed and why it needs fixing.

The Highway Trust Fund is projected to go bankrupt by July 2015.

The user fee has not been increased above 18.4 cents per gallon of gas since 1993. It has lost almost 40% of its purchasing power.

Why has the Highway Trust Fund eroded?

1. Congress didn’t peg the fuel tax to inflation
2. Vehicles are more fuel-efficient
3. Increasing need for road repair
4. Rising construction costs
5. Reduction in annual miles driven
6. An aging system

Why is this the best immediate option?

- It has served Americans well as a user fee for decades.
- It is simple to collect and can be done immediately with no additional collection costs.
- It is fair that those who use the roads pay for better and safer roads.

How can this system be fixed?

One way is by modestly increasing user fees.

How will fixing the Highway Trust Fund benefit you?

- Save on vehicle repairs $324 per year due to poor road conditions
- Cut congestion costs 5.5 billion hours +2.9 billion gallons of gas stuck in traffic
- Protect the economy 877,000 jobs are at risk

Real-world benefits for the average motorist.
TRANSPORTATION AND THE U.S. ECONOMY

Critical Importance to The Economy:

• A first rate national transportation system is necessary to maintain a first rate economy in the United States. Failure to address transportation problems undermines U.S. economic growth.

• Federal funds provided, on average, 52% of the funding for annual state DOT highway and bridge construction and maintenance projects from 2001-2011 (ARTBA).

• 300 million Americans use the U.S. transportation system to connect to their jobs, markets, educational facilities, healthcare services, airports, recreational places, etc. (U.S. Department of Transportation).

• The U.S. freight transportation system moves nearly 52 million tons of freight worth more than $46 billion each day to meet the logistical needs of the Nation’s 117 million households, 7.4 million business establishments, and 89,500 government units (FHWA).

• International tourism, an intense user of our transportation system, generated $181 billion for the US in 2013 (American Association of State Highway and Transportation Officials).

An Undeniably Vital Investment:

• Every $1 billion invested in highway construction supports 27,800 jobs. This includes approximately 9,500 in construction sector, 4,300 jobs in industries supporting construction, and 14,000 other jobs induced in non-construction related sectors of the economy (FHWA).

• Every dollar spent on road, highway and bridge improvements provides an average benefit of $5.20, in the form of reduced vehicle maintenance costs, reduced delays, reduced fuel consumption, improved safety, reduced road and bridge maintenance costs, and reduced emissions as a result of improved traffic flow (FHWA).

• Federal funds provided 44% of transit capital spending (bus purchases and rail construction) in 2014 (FTA).
Costs America Can’t Afford:

- Time spent in traffic is time stolen from your family and your business. In fact, the average U.S. commuter spends almost 40 hours a year stuck in traffic. In 2011, Americans wasted a total of 5.5 billion hours and 2.9 billion gallons of gas stuck in traffic. Those numbers are projected to rise to 8.4 billion hours and 4.5 billion gallons in 2020 (Texas A&M Transportation Institute).

- Congestion slows the movement of food and merchandise. It raises prices and erodes the bottom line. Particularly susceptible to congestion: “the long and often vulnerable supply chains of high-value, time-sensitive commodities...Congestion results in enormous costs to shippers, carriers, and the economy” (USDOT).
  
  ◦ “For example, Nike spends an additional $4 million per week to carry an extra 7 to 14 days of inventory to compensate for shipping delays.

  ◦ Freight bottlenecks on highways throughout the United States cause more than 243 million hours of delay to truckers annually.

  ◦ At a delay cost of $26.70 per hour, the conservative value used by the FHWA's Highway Economic Requirements System model for estimating national highway costs and benefits, these bottlenecks cost truckers about $6.5 billion per year.”

Fixing The Highway Trust Fund Just Makes Sense:

- The Highway Trust Fund is projected to go bankrupt in July of 2015. If this is allowed to happen there will not be enough revenue from gas and diesel taxes for the HTF to reimburse states and local agencies for ongoing construction projects. Because of this, many states are holding off on the largest and most important projects.

- This would stop thousands of construction projects across the nation endangering hundreds of thousands of jobs in construction, manufacturing, and supporting industries. In fact, 877,000 jobs are at risk if Congress doesn’t act now to fill the Highway Trust Fund (ASCE).

- The Interstate Highway System is nearly 70 years old—and roads are typically built to last 30 years! It needs to be rebuilt for future generations.

- If we care about the Americans who built the system, we won’t tarnish their legacy through neglect. And if we care about our kids, we won’t make THEM pay the bill tomorrow for the roads we’re using today.
GOOD ANSWERS TO TOUGH QUESTIONS ABOUT FEDERAL TRANSPORTATION AND POLICY FUNDING

Q: Why should the federal government be in the transportation business?

A: The U.S. Constitution’s Commerce Clause (Article 1, Section 8, Clause 3) grants Congress the power to invest and maintain roads, bridges and transit. From the Interstate Highway System to our ever-expanding electrical grid, infrastructure is indeed a federal issue that must be addressed through a national vision and federal policy, programs, and investment.

The cost of transportation projects is a huge expense, and states do not have the funding to do this alone. The Highway Trust Fund assists states and locals in paying for transportation projects, and it is a system that has served the country well. Federal funds provided, on average, 52% of the funding for annual state DOT highway and bridge construction and maintenance projects from 2001-2011 (ARTBA) and 45% of transit capital projects in 2012 (FTA).

Q: Is the Highway Trust Fund running out of money because we waste money?

A: No. The Highway Trust Fund pays for an enormous number of infrastructure-related needs across America including: Interstate highway construction and maintenance, safety improvements like stronger guardrails and better lighting, building and maintaining bridges and roads, safety research and program development, public transportation, and advanced technologies to reduce congestion. See more at: http://makingamericstronger.aaa.com/highway-trust-fund/#sthash.obzyXqmU.dpuf

Q: Aren’t gas taxes already high enough?

A: According to the National Sandstone and Gravel Association, “Americans pay on average $94 a year to access over 11,618 highways, roads and bridges. These funds come from a modest 18.4 cents per gallon tax on each gallon of gasoline. Since the gas tax hasn’t changed since 1993, and the cost of building and maintaining roads has risen, the Highway Trust Fund is slowly going in the red. With a growing number of potholes, cracked roads and traffic jams plaguing America, we need a common sense and responsible way to pay for improving our infrastructure.” Get the facts at: http://www.nssga.org/wp-content/uploads/2014/09/NSSGA-Gas-Tax-InfoGraphic.jpg
Q: Can’t we just raise enough revenue through tolls and public-private partnerships (P3s)?

A: Tolls and P3s can be parts of the overall solution to procure and provide revenue, but neither is a silver bullet. Historically, federal highway and transit funding has accounted for approximately 45% of what state DOTs spend on highway and bridge capital improvements. Quite simply, the federal government must lead on the issue of funding. For the 10 year window, 2015-2024, the cumulative shortfall in the highway and mass transit accounts of the HTF will be over $170 billion. This is too large a figure for anyone to expect to be filled by tolling and P3s. While as House T&I Chairman Bill Shuster (R-PA) has said “the private sector continues to show significant, growing interest in investing in infrastructure,” they cannot be a substitute for federal investment and federal leadership. The key is finding a long-term, sustainable funding source. P3s and tolls are pieces of the puzzle, and when partnered with a sustainable revenue stream, can help ensure reliable revenue for the HTF.

Q: Isn’t it true that the country doesn’t have enough revenue because people are driving less?

A: Over the past two years, vehicle miles traveled (VMT) actually increased — in 2012 by 0.3% and in 2013 by 0.6%. While there was a downturn in vehicle miles traveled after 2007, this decrease coincided with the recession. As the economy continues to improve, more employees will return to work, increasing VMT. Furthermore, the U.S. population grows each year by just under three million people, and the number of licensed drivers also grows by two million people. It is estimated that this trend in population growth will lead to an increase of 25 billion VMT annually (FHWA).

Q: Would raising the gas tax hurt economic growth?

A: In the Failure to Act economic studies, ASCE explored the consequences of continued underinvestment in infrastructure. Ultimately, the studies concluded that our deteriorating infrastructure will cost the American economy more than 867,000 jobs in 2020 and suppress the growth of our GDP by $897 billion by 2020. Per household, the cost of deficient surface transportation will cost $1,060 per year. To simplify, a homeowner can either fix a leaky roof now or wait for his or her home to eventually cave. Our nation’s infrastructure needs to be tended to and funded now, or we will all continue to pay for it in a multitude of ways at much higher costs.
**Q: Isn’t the current user fee—the gas tax—dying because cars are more fuel efficient?**

**A:** Between 2012 and 2022, gas tax revenues will decrease by less than 1%, ($2.5 billion). The issue at hand is not really fuel efficiency, but rather that the user fees have not been increased since 1993 (Congressional Budget Office). In the 20 years since, user fees have lost more than a third of their value because of inflation. Fuel efficiency will become more of a problem as technology continues to advance in the coming decades, but in the near term it is less of a problem than often stated (Congressional Budget Office).

**Q: Do we really need more revenue just to maintain the status quo?**

**A:** Yes. As the impending Highway Trust Fund insolvency makes clear, there is currently not enough revenue available to support the status quo! And the status quo is not that great. The 2013 Report Card for America’s Infrastructure graded our nation’s infrastructure at a D+. Clearly that status quo is not enough in helping the United States build a 21st century infrastructure capable of competing on a global scale. Since 2008, nearly $65 billion in supplemental revenues has been provided through short-term, stopgap measures in order to “temporarily” preserve levels of federal highway and public transportation investment. Attempting to “Band-Aid” the Highway Trust Fund once again will only mean that state and local officials cannot plan needed major long-term infrastructure projects.

**Q: Wouldn’t Congress be able to get big things like this done if it didn’t turn everything in to a partisan fight?**

**A:** Great news! Transportation infrastructure is not a partisan issue! There is ample evidence of support for infrastructure investment from both parties. In February 2015, a majority of House members signed a letter calling for passage of a multiyear transportation reauthorization bill with a sustainable funding source. In 2014, Senators Barbara Boxer (D-CA) and David Vitter (R-LA) led a bipartisan effort to craft a six-year transportation bill in the Senate Environment and Public Works Committee and passed the legislation out of committee on a unanimous, bipartisan vote. Rep. John Delaney’s (D-MD) “Partnership to Build America Act” is cosponsored by equal numbers of Democrats and Republicans. The Water Resources Reform and Development Act to invest in ports and inland waterways passed with overwhelming bipartisan support in 2014. As Senate Majority Leader Mitch McConnell said, “Infrastructure spending is popular on both sides.” This is an area where Congress can agree. Now is the time to work together and get something done!
Q: Do we have the money as a nation to fix the problem?

A: The notion that we simply cannot find a long-term, sustainable revenue source is false. The costs of inaction and allowing the Highway Trust Fund to cease funding for needed repairs and maintenance are immense. Americans are already paying for the cost of our nation’s D+ infrastructure. American families and businesses are losing money and time.

Congested roads cost an estimated $101 billion per year in wasted time and fuel, and driving on roads in need of repair costs motorists an average of $324 per year in vehicle repair and operating costs. Instead of pouring money down the drain, federal funds can help state and local officials get traffic and transit systems moving faster and making the conditions of roads, bridges, and transit systems better. How? Federal funding can be used to time traffic signals and make transportation systems smarter; lengthen merge lanes; unclog truck bottlenecks; create better connections among roads, rails, airports, and ports; and reconstruct the Interstate Highway System—portions of which are over 50 years old.

And investments will also save lives. In 2013, 33,561 people died in fatal crashes; over 50% of deaths were in rural areas. Motor vehicles crashes also cost the United States $871 billion a year in economic loss and societal harm, according to a 2014 study from the National Highway Traffic Safety Administration. Federal investment in transportation infrastructure improves safety. How? Improvements in highway lighting, striping, signing, and engineering to make roads safer for all drivers, especially older ones; installing more guardrails and new rumble strips and other “safety hardware;” building passing lanes and shoulders in rural areas; and, developing and deploying innovative solutions to distracted driving and other causes of crashes.

American drivers pay an average of $94 per year from a user fee—the 18.4 cent per gallon tax on gasoline—that has been at its current level since 1993. By increasing that user fee gradually by a penny a month over the course of a year—equal to the cost of four AAA batteries—the United States can have a faster, better, safer transportation system.

Visit FasterBetterSafer.org to learn more and speak up in support of a long-term, fully-funded highway, bridge, and transit bill!

“Transportation is a great opportunity to prove that Democrats and Republicans can work together, that states and the federal government can each play an appropriate role, that business can step up to help meet a major national challenge, and that all stakeholders can come together to get something done for the good of the nation.”

— TOM DONOHUE, PRESIDENT & CEO, U.S. CHAMBER OF COMMERCE
ABOUT THE AMERICANS FOR TRANSPORTATION MOBILITY COALITION (ATM)

The Americans for Transportation Mobility Coalition is a collaborative effort by business, labor, transportation stakeholders and concerned citizens to advocate for improved and increased federal investment in the nation’s aging and overburdened transportation system. We believe the deterioration of the nation’s transportation system undermines the economy, jeopardizes our safety, threatens our quality of life, and harms the environment. That’s a price we are unwilling to pay.

Our elected officials must take action to repair, rebuild and revitalize the nation’s roads, bridges and public transportation systems. The ATM Management Committee provides leadership and direction to the coalition. Committee members also support the coalition by making annual financial contributions. Learn more at www.FasterBetterSafer.org.

ABOUT THE U.S. CHAMBER OF COMMERCE

The U.S. Chamber of Commerce is the world’s largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations.

THE ATM COALITION IS LED AND MANAGED BY THE U.S. CHAMBER OF COMMERCE:

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“A first rate national transportation system is necessary in order to maintain a first rate economy in the United States. Failure to address transportation problems undermines U.S. economic growth.”

— TOM DONOHUE, PRESIDENT & CEO, U.S. CHAMBER OF COMMERCE