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# Major Issues Affecting the 2009 Highway Bill

## How Much Funding for Highways?

### The Issue

Money, money, money. The first question lawmakers want to answer is how much money will be in the highway bill. To get the right answer, it is important to establish a reasonable vision, purpose, and scope for the federal program and decide which national needs should be funded through the federal user fees. While highway needs are great, no amount of money would be enough for a program without a clear purpose or priorities. Once funding requirements are determined and revenue sources are identified, the investment levels must be protected from budget raids and spending diversions.

For ten years, highway user fees collected from motorists have been protected by special budget rules that guarantee that these taxes would be spent on better, safer roads and bridges. This “budgetary firewall” directly ties federal highway investments to tax revenue flowing into the Highway Trust Fund.

The federal highway program is on the brink of a major funding crisis, in part because the gas tax has remained unchanged since 1993. Due to inflation — particularly acute for purchasing construction materials in an era of high global demand — today’s tax on a gallon of gasoline can only be invested in half as many improvements as in 1993.

By the summer of 2009, additional revenue will be needed to avoid Highway Trust Fund insolvency and substantial funding cuts that leave roads and bridges in a dangerous state.

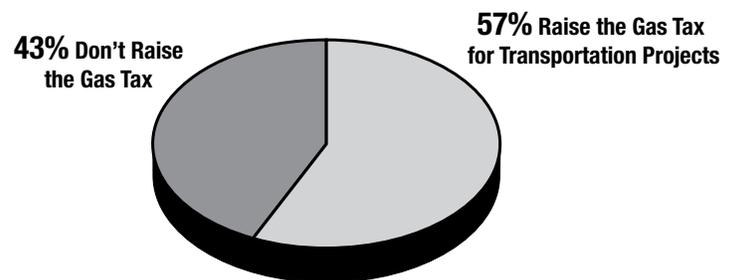
The U.S. has an overwhelming backlog of highways and bridges in need of repair and upgrade. Given these needs, highway proponents must champion efforts to boost infrastructure spending in 2009.

### Our Position

Congress must create trust with the taxpayer by wisely identifying specific national needs that must be funded. Then Congress must increase highway user fees and find additional sources of revenues for the Highway Trust Fund. The budgetary firewall must remain in place

to protect new revenues from being wasted and States should be required to match federal funding increases with their own State funds.

Given America’s distressing highway death toll, growing gridlock, unreliable freight deliveries, and the inventory of dangerously deficient roads and bridges identified by the U.S. Department of Transportation (USDOT), *Congress must increase federal highway user fees to responsibly address the most critical highway needs.*



*Despite high fuel prices, 57% of likely voters would support an increase in gas taxes to pay for transportation projects. Majority support crosses partisan lines. When given information about current highway issues, support jumps to 71%.*

Source: Fabrizio McLaughlin & Associates Research, April 2008

### Background

The federal highway program is user-financed by motorists and truckers. Federal excise taxes on gasoline (currently 18.4 cents per gallon) and diesel (24.4 cents per gallon), as well as other truck-related taxes, are deposited in the Highway Trust Fund. Prior to the enactment of TEA-21 in 1998, the federal government often withheld a portion of those highway taxes. While, by law, highway trust funds could only be invested in roads and bridges, this accounting trick helped to mask the true size of the federal deficit. As a result, trust fund balances grew into sizable reserves.

Establishing TEA-21’s historic budgetary firewall, however, reaffirmed the original promise of the Highway Trust Fund – that highway taxes would be used exclusively for highway improvements. Since 1998, all highway user fees, including all reserves have been spent down. To sustain current or increased funding levels, revenue must be raised to meet desired investment targets.

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## How Much Funding for Highways?

The U.S. Department of Transportation (USDOT) has documented a dramatic need for additional highway and bridge improvement projects. USDOT judges 33 percent of our major roads to be in poor or mediocre condition and rates 26 percent of bridges to be either structurally deficient or functionally obsolete. Highway safety advocates estimate that such substandard highway conditions are a factor in about one-third of all fatal crashes — resulting in some 14,000 deaths annually.

In its December 2007 report, the National Surface Transportation Policy and Revenue Commission found that, in the short-term (through 2020), all levels of government would need to double their capital investment to \$143 billion annually — just to maintain current physical conditions and make slight operational improvements on U.S. highways and bridges.

To truly improve both conditions and performance, \$225 billion per year is needed to make needed, cost-effective improvements.

The federal government funds about 45 percent of all highway and bridge improvements and must continue to fund its fair share. At this share, the Commission report suggests that Congress would need to fund the federal highway program at levels between \$65 billion and \$100 billion annually to improve the system and address serious needs. Unfortunately, current revenues supply less than \$40 billion per year into the Highway Account of the Highway Trust Fund.

Highway advocates have identified a number of options for increasing revenue to the Highway Trust Fund, including:

- **Increasing Federal Fuel Taxes.** Each one-cent-per-gallon increase in the federal motor fuels excise tax would generate approximately \$1.7 billion a year to the Highway Trust Fund.
- **Restoring Interest on the Trust Fund Balance.** From 1956-1998, trust fund balances were invested in Treasury Bills and earned interest for the fund. Since then, this interest revenue has been diverted to the U.S. Treasury's general fund, resulting in a loss of \$8 billion. These funds should be restored and future interest should be collected for the fund.

- **Cracking Down on Motor Fuel Tax Evasion.** Experts estimate that these fraudulent schemes cost the trust fund as much as \$2 billion per year.

- **Promoting Innovative Finance.** Senators Wyden (D-OR) and Thune (R-SD) have proposed \$50 billion in bonding measures to jump start the Highway Trust Fund. This plan would provide one-time assistance to the program but would not replace the need for permanent solutions to the gas tax shortfall.

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**Fast Fact...** Congress would need to fund the federal highway program at levels between \$65 billion and \$100 billion annually to improve the system and address serious needs.

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- **Indexing Fuel Taxes for Inflation.** The cost of building, maintaining and administering highways has continued to escalate without a commensurate rise in revenues. Indexing the federal motor fuels tax to construction costs would keep pace with rising costs by generating more than \$1 billion annually for the Highway Trust Fund.

The likelihood of tax indexing and fuel tax hikes will be largely dependent on the political climate in Washington, DC. Bipartisan teamwork and strong leadership on this issue is crucial for success. The bipartisan majority (5 Republicans and 4 Democrats) of the National Surface Transportation Policy and Revenue Commission recently advocated a 5-8 cent annual fuel tax increase, along with additional revenue raising measures. Advocates for indexing fuel taxes note that these adjustments allow highway revenues to keep pace with the cost of construction materials and these adjustments should not be considered a tax increase. Polls show that highway use taxes dedicated to road and bridge investments are *the* tax Americans pay most willingly. Support for the level of taxes levied, however, depends largely on public confidence in how effectively and where those funds are and will be invested.

# Major Issues Affecting the 2009 Highway Bill

## What is the Federal Role?

### Issue

Some have questioned whether the federal government should continue to play a role in transportation or devolve the responsibility almost entirely to the states and private investors. Factors that will influence this debate include the federal program's impact on interstate commerce; mobility of people, goods and services; international competitiveness; national defense and homeland security; economic growth and productivity; safety; environmental goals; and congestion.

### Our Position

The federal government must continue to play a key role in developing and maintaining a safe and efficient national highway system — as it has for more than 50 years. Highways are the nation's most heavily used transportation mode and a demonstrated factor in our prosperity and economic growth. Only the federal government can ensure that America's road and bridge network facilitates interstate travel, fosters national economic growth, increases international competitiveness, and meets America's national strategic defense and security needs.

### Background

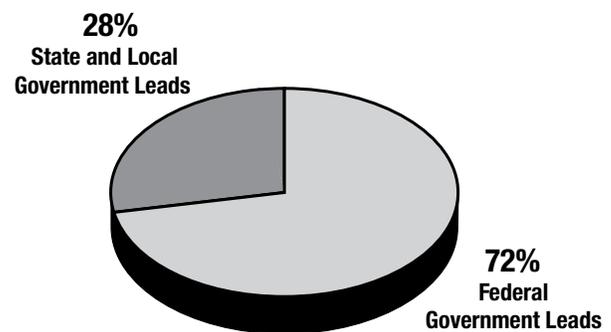
Significant federal involvement in the nation's highways and bridges began in 1956 when President Eisenhower signed the Federal-Aid Highway Act that established the Highway Trust Fund and a "pay-as-you-go" fuel tax imposed only on highway users. Using this dedicated source of revenue, the federal government promoted construction of the Interstate Highway System.

This investment is unquestionably one of the wisest our nation ever made. The Interstates have created jobs, promoted economic growth, reduced traffic deaths and injuries, made Americans the most mobile society on the planet, and strengthened our national defense.

With the passage of the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991, Congress officially declared the Interstates completed.

As interstate construction slowed, some in Congress advocated ending the federal role by cutting the federal gas tax and devolving the bulk of the responsibility for making transportation improvements to the states.

Overwhelming majorities in both the House and Senate rejected the notion that the federal government no longer has a role in transportation. Factors justifying a continuing federal role include:



72% of voters believe the federal government should take the lead role in funding major highways and bridges. Most voters feel that state and local governments should take the lead role in funding alternative surface transportation modes.

Source: Fabrizio McLaughlin & Associates Research, April 2008

- **Growing National Needs** – The Interstates were designed in the 1950s to meet the needs of a post-World War II economy. The Interstate Highway System of the 21st Century is the National Highway System (NHS), which includes the Interstates. Enacted in 1995, the NHS is made up of America's most vital roads and bridges, though it is only 4 percent of all U.S. roads. The NHS carries 40 percent of all highway travel, 75 percent of commercial truck travel, and 80 percent of tourist travel.
- **Safety** – The world's safest roads are America's Interstates, a federal creation. Safety experts agree that substandard road conditions, obsolete designs and roadside hazards contribute to more than 14,000 highway deaths annually — about a third of all fatal crashes. As Americans continue to travel more miles

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## What is the Federal Role?

than ever by highway, the federal government must focus even more attention and resources on the safety improvements necessary to confront this nationwide challenge.

■ **Interstate and International Commerce** – The Constitution charges the federal government with the responsibility of regulating interstate commerce. America’s trucking sector, which carries 80 percent of the dollar value of the nation’s goods, is the envy of the world. U.S. highways have accounted for 18 percent of the nation’s productivity gains since 1956. Together, trucks and highways are the life-blood of the national economy. In addition, growth in North American trade has placed incredible strain on north-south highways that are NHS routes, but are not designed or constructed to Interstate safety standards. These trade corridors are a national concern.

■ **Economic and Employment Growth** – Highways are the circulatory system for our nation’s “just-in-time-delivery” economy, and federal investments pay dividends in the form of healthy economic growth and jobs. The Federal Highway Administration reports that U.S. industries, from 1950 through 1989, experienced annual production cost savings of 18 cents for each dollar invested in the road system. Another private study found that the Interstates returned \$5.40 in economic productivity for every \$1 invested.

■ **National Security and Evacuation Readiness** – National defense was an important consideration for the U.S. Interstate Highway System when construction began in 1956. In the wake of recent terrorist and natural disasters, improved mobilization and evacuation capacity is once again a national priority. Tragedies have taught us that it is important for us to have highway redundancy — that is multiple parallel entry and exit routes — to better protect our security and move people in emergencies. A 2005 study by the American Highway Users Alliance identified exit capacity, internal circulation, and vehicle accessibility as the three key standards to judge an urban area’s ability to quickly evacuate.

# Major Issues Affecting the 2009 Highway Bill

## What Can Be Done About Congestion?

### The Issue

As your constituents will tell you, traffic congestion is a frustrating problem that affects the entire country. In urban and suburban areas the problem is most visible, but rural areas are also harmed. Public opinion polls consistently show that increased traffic congestion is among the top two or three concerns Americans cite as having a major impact on their daily lives.

The Texas Transportation Institute, the nation's leading authority on congestion issues, estimates that gridlock costs Americans \$78 billion a year and wastes 4.2 billion hours — which translates into over one workweek per commuter wasted annually stuck in traffic. The prestigious transportation consulting firm Cambridge Systematics estimates significant safety, environmental, fuel and time-saving benefits from a targeted bottleneck elimination program.

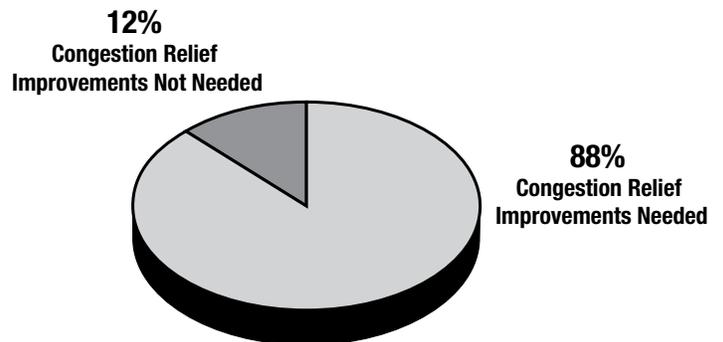
### Our Position

In spite of a vocal minority that often repeats the defeatist mantra “we can't build our way out of congestion,” strategic highway and bridge improvements ease congestion, improve safety, reduce air pollution, and give weary commuters more free time for other priorities. Traffic congestion has become a national problem and it requires a national solution. Congress must ensure that the next highway bill includes a comprehensive attack on bottlenecks and gridlock.

### Background

A quick comparison of increases in travel demand versus road capacity explains our current congestion problem. Over the past 25 years, the U.S. population has increased by 32 percent, registered vehicles are up by 56 percent and the number of miles Americans drive in a year has increased by 97 percent. Yet during that same time period, new lane capacity has grown by a scant six percent. *That means more people driving more cars more miles than ever before on essentially the same road network.*

The prestigious Texas Transportation Institute has concluded that adding road capacity reduces traffic congestion. The group's mobility studies found that



*88% of voters say congestion relief improvements are needed on the nation's major highways and bridges.*

*Source: Fabrizio McLaughlin & Associates Research, April 2008*

areas that were more active in adding roadway capacity to respond to increased travel were able to slow greatly the increase of regional traffic congestion.

A comprehensive assault on traffic congestion should include targeted expansion of our highway system and improvements to the operation of existing facilities. Specific strategies include:

- **Uncorking Traffic Bottlenecks** – A 2004 study by the American Highway Users Alliance identified the 233 worst traffic chokepoints in the U.S. The report found that modest traffic flow improvements at those sites would reduce travel times by an average of 15 minutes per trip – 30 minutes per day for commuters who must navigate these bottlenecks in the morning and evening.

In addition, these bottleneck improvements would produce dramatic safety and environmental benefits. They would result in 449,500 fewer crashes over 20 years (including 1,150 fewer fatalities and 141,000 fewer injuries) and would reduce carbon monoxide emissions by 54 percent and smog forming emissions by 50 percent. To combat global warming, these

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## What Can Be Done About Congestion?

modest improvements would cause carbon dioxide emissions to fall by 77 percent (390 million tons) at those sites. In fact, combating road congestion has more potential to reduce greenhouse gases than diverting highway user fees for non-highway alternatives.

- **Providing New Road Capacity** – More Americans are living and working in the suburbs, meaning that suburb-to-suburb trips comprise a growing share of commutes. Most U.S. cities were designed to handle suburb-to-city trips and are ill prepared for these new travel patterns. Some new additional suburban highways are needed to accommodate this growth.

**Our Position...** Congress must ensure that the next highway bill includes a comprehensive attack on bottlenecks and gridlock.

- **Converting to High Occupancy Toll (HOT) Lanes** – A variation on the standard High Occupancy Vehicle (HOV) lanes, HOT lanes charge single occupant vehicles a toll while allowing carpoolers to use the lanes for free. Converting underused HOV lanes to HOT lanes, and therefore allowing certain drivers to pay for the faster route, can help reduce congestion on the parallel, free routes. Dynamic pricing structures and other intelligent transportation system (ITS) technologies are sometimes used to help ensure that traffic on the HOT lanes are constantly free flowing.
- **Exploring Bus Rapid Transit (BRT)** – Because buses are flexible and can adapt to changing employment and residential patterns, they are the mode of choice

for most transit providers. Bus transit is also one of the most cost effective forms of public transportation. According to the Government Accountability Office, creating new BRT lanes costs approximately \$9 million per mile compared to \$34.8 million per mile for light rail alternatives.

- **Making Operational Improvements** – In recent years, transportation engineers have applied advanced technologies based on real-time information about highway conditions to improve traffic flow. Referred to as Intelligent Transportation Systems (ITS), real-time control of highway operations has become a major activity undertaken by transportation agencies. ITS control strategies take many forms: metering flow onto freeways, dynamically retiming traffic signals, managing traffic incidents from a centralized video center, and providing travelers with information on alternative routes and modes. In addition to ITS technologies, other strategies to improve the efficiency of our existing road system include reversible commuter lanes, movable median barriers that add capacity during peak periods, and restricting turns at certain intersections.
- **Opening the Congestion Mitigation and Air Quality (CMAQ) Account to Bottleneck Improvements** – Amazingly, SAFETEA-LU's CMAQ funding cannot be used to improve most congested chokepoints (That is because CMAQ funds are barred from use on non-HOV road capacity improvements). This prohibition excludes the roadways used by 95 percent of all surface trips, including all truck traffic, and 78 percent of all commutes from CMAQ eligibility.

# Major Issues Affecting the 2009 Highway Bill

## How Do We Improve Highway Safety?

### The Issue

Traffic crashes and fatalities have impacted the lives of most Americans. Every 12 minutes, someone dies in a car crash. Every 12 seconds, someone is injured. In a year, vehicle crashes claim more than 42,000 lives. That is the equivalent of a daily airline jet crash resulting in 117 deaths. Such a scenario would never be tolerated for air travel, yet the loss of life on roads is met with complacency, perhaps because few realize how many lives could easily be saved.

Safety experts agree that substandard road conditions, obsolete designs and roadside hazards contribute to more than 14,000 highway deaths annually — about one-third of all fatal crashes. And unlike other areas of highway safety where significant gains have been made — such as vehicle design and driver behavior — fatalities related to road and roadside hazards continue to rise. Fifty-eight percent of deaths are the result of road departure.

### Our Position

*Investments in safer highways save lives.* Interstate highways are the safest roads in the nation, with fatality rates less than half of all other roads, because they are engineered for safety. Interstate design standards call for wide lanes, wide shoulders, at least four lanes divided by a wide median or barrier, long entry and exit ramps, gentle curves, and limited access.

Funding these and other types of roadway safety improvements should be a top priority in the next highway reauthorization bill. In fact, with the dramatic progress the nation has made in improving driver behavior and vehicle safety designs, the most promising single element for reducing fatalities, injuries, and crashes is improving roadway safety designs.

### Background

According to the U.S. Department of Transportation, about 19,000 fatal crashes each year involve collisions with roadside hazards such as trees, utility poles and embankments, which are related to veering off the

roadway. Many of these crashes occur on roads that were built decades ago and are now carrying two and three times the traffic volume for which they were designed.

**Did you know...** The key to reducing roadway related fatalities is doing everything possible to keep drivers on the road and then protecting them if they do leave the road.

Potentially hazardous conditions that can lead to roadway departure crashes include: narrow roads and bridges, roadside hazards that are either too close to the roadway or not protected by barriers, narrow shoulders that end in steep slopes or ditches, and intersections that are poorly marked and lighted. Almost 10,000 people a year die in intersection-related crashes.

The key to reducing roadway-related fatalities is doing everything possible to keep drivers on a safe road without hazards or dangerous intersections and then protecting them if they do leave the road. According to the Federal Highway Administration, every \$100 million spent on highway safety improvements will save 145 lives over a 10-year period. Specific highway fixes that can improve safety include:

- **Rumble Strips** – Upgrading roadside shoulders with this low-cost feature can reduce run-off-the road crashes by 33 percent.
- **Intersection Improvements** – Creating turn lanes and improving traffic channelization at dangerous intersections can reduce fatality rates by 47 percent.
- **Clearer, More Reflective Roadway Information** – Keeping motorists better informed with clear, easy-to-read signs and pavement markings can reduce fatality rates by up to 56 percent.
- **Traffic Separation** – Constructing a median barrier can reduce fatality rates involving oncoming traffic by 63 percent.

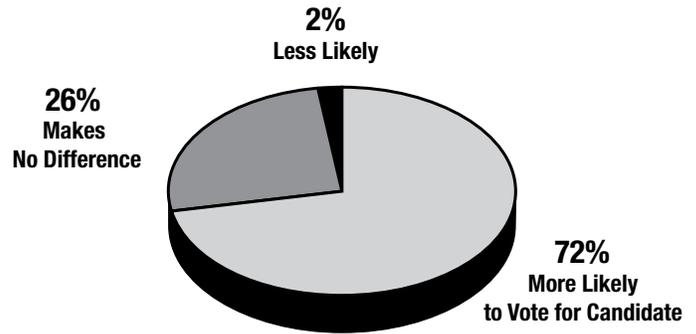
# Major Issues Affecting the 2009 Highway Bill

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## How Do We Improve Highway Safety?

- **Hazard Removal** – Removing roadside obstacles and realigning roadways can reduce fatality rates involving run-off-the-road crashes by 66 percent.
- **Wider Lanes and Shoulders** – Widening or improving shoulders can reduce traffic crashes by 22 percent.

Nearly every aspect of highway safety can benefit from the above-mentioned road improvements. Enhanced road designs — like medians, rumble strips, wider lanes and shoulders, safety barriers, longer entry and exit ramps, gentle off-road slopes and clear spaces, and improved, more reflective sign and pavement markings — make driving easier and safer for all highway users.



*72% of voters say they are more likely to vote for a candidate who talks about improving the safety of our nation's highways and bridges. Only 2% would be less likely to do so.*

*Source: Fabrizio McLaughlin & Associates Research, April 2008*

# Major Issues Affecting the 2009 Highway Bill

## Who Should Own and Operate Our Roads?

### The Issue

Nearly all roads are publicly-owned and operated and maintained. Yet some have suggested that private companies take over one or more of these traditionally public roles. There are both opportunities and threats that may result from privatization.

### Our Position

Newly built, privately operated roads or lanes built with private funds may provide needed capacity. But leasing existing roads requires extreme caution and federal oversight.

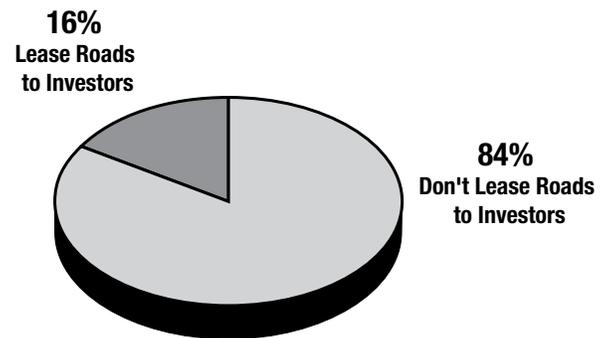
### Background

With public highway funding in short supply and infrastructure needs increasing, some have considered public-private partnerships (PPPs).

- Public-Private Partnerships have the potential to be an innovative way to build new capacity, such as new roads and new lanes. Under such an arrangement, investors assume the risks of funding the design and construction of highway projects. To recoup their investment, they either directly charge highway users tolls or charge the State or local government “shadow tolls” per vehicle.
- PPPs and toll roads in general provide some opportunities. Yet recent experiences have generated public concerns about the fairness of certain types of PPPs – specifically “road leasing”.
- In 2005, the State of Indiana entered into a 75-year lease with a private consortium, which allowed the investors to take over operations of the Indiana Toll Road. In exchange for an up-front payment of \$3.85 billion, the State allowed the private company to collect tolls and raise them annually. The State also agreed to conditions, which may financially prevent it from building or upgrading nearby parallel routes.
- Also in 2005, the City of Chicago entered into a 99-year lease with the same private investors, allowing them to take over operations of the Chicago Skyway. The

city collected \$2 billion, and again allowed the private company to raise and collect tolls. Chicago has used the funding for a variety of non-transportation purposes.

- Leasing toll roads puts captive highway users at risk for mandatory higher tolls, presents safety problems on nearby local roads, and changes the purpose of toll roads from a public benefit to revenue-raising tool.



84% of voters oppose plans to sell or lease toll roads to private investors.

Source: Fabrizio McLaughlin & Associates Research, April 2008

- In some cases, such as proposals to lease Pennsylvania and New Jersey toll roads, proponents have attempted to gain public support by pointing out that Interstate travelers will bear the brunt of the new costs. Targeting interstate travelers, such as tourists and truckers, for corridor taxes sets a dangerous precedent that threatens to pit states against each other. Federal involvement is necessary to ensure that unfair barriers to commerce are not created.
- At a minimum, revenues acquired by States from PPPs should not be diverted.
- According to American Association of State Highway Transportation Officials (AASHTO), which represents the transportation departments all 50 states, tolling and PPPs could provide only 9 percent of the funds needed to maintain and improve our highways and bridges by 2017. They are not a panacea and cannot replace the urgent need for federal, state, and local public funds.

# Major Issues Affecting the 2009 Highway Bill

## How Should We Reduce Greenhouse Gases from Highway Vehicles?

### The Issue

Global warming has emerged as a major environmental issue. A variety of public policy proposals to reduce greenhouse gas emissions are being proposed as steps to help address these concerns. Some proposals constrict mobility and have other harmful effects. But there are thoughtful solutions that can provide the desired environmental benefits with little or no pain.

### Our Position

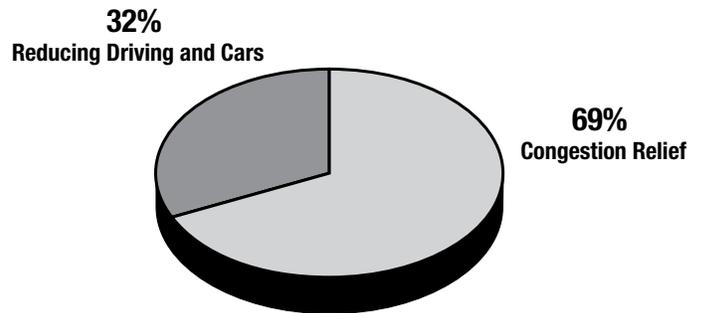
Congestion relief is an effective way to reduce wasted carbon dioxide emissions. Cost-effective technologies for vehicles and new fuels also present opportunities. Congress should support these win-win solutions for motorists and the economy, and resist coercive measures designed to force people to reduce driving or nationalize local land use planning practices.

### Background

Congestion relief projects are a win-win for motorists and the environment. An average of 77 percent on-site carbon dioxide emission reductions is possible through congestion relief projects. Beyond highway projects, past experience has proven that technology, not behavioral controls, is the most effective way to reduce emissions. Since the Clean Air Act was adopted in 1970, technological advancement has led to pollutant emissions reductions as much as 97 percent. Technological progress is the best hope to gain the same results for carbon dioxide and other greenhouse gases.

- It is increasingly likely that by 2009, carbon dioxide will be regulated to respond to global warming. Approximately one-third of carbon emissions are related to transportation.
- Past efforts to reduce mobile-source pollutant emissions have focused on both behavioral controls and technological breakthroughs for fuels and vehicles. Since 1970, efforts to control human behavior have

utterly failed – in fact, travel has increased more than 150%. Yet, technological breakthroughs have been so profound that the air quality has dramatically improved.



*69% of voters believe reducing congestion is a better policy to reduce greenhouse emissions than reducing driving and cars.*

*Source: Fabrizio McLaughlin & Associates Research, April 2008*

- With likely regulation of carbon dioxide emissions, tax incentives for new fuels, vehicle research, and consumer purchases show the greatest promise for success.
- Yet, radical groups have once again offered up the same tired arguments from the 1970s: that we have to convince people to give up their cars. Not only have such plans been unsuccessful but the tactics proposed are extremely costly, disproportionately impact the poor, and require tremendous government control over people's behaviors and local land use decisions. Congress should reject such ideas and focus on making mobility better for the environment.
- Congestion relief shows the greatest promise for achieving a win-win for both mobility and cleaner air. Congress must seize this opportunity to promote this beneficial solution for all.

# Major Issues Affecting the 2009 Highway Bill

## Are We Prepared to Fix our Aging Roads and Bridges?

### The Issue

Are we prepared to fix our aging roads and bridges?

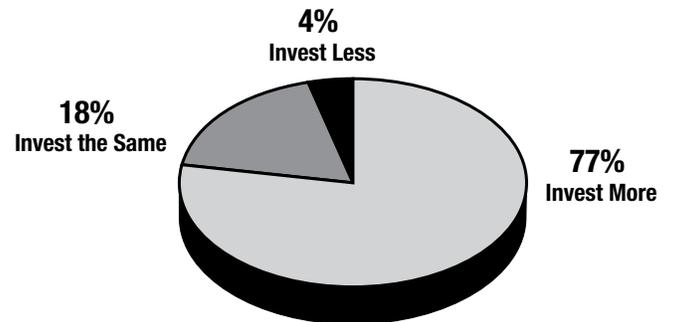
### Our Position

The 53-year old Interstate Highway System is aging and handling more traffic than it was built to support. The United States must take action to keep bridges from becoming structurally deficient and functionally obsolete. Congress must make it a high priority to prevent dangerous bridge collapses and pavement failures.

### Background

In the summer of 2007, a major bridge collapse on the Interstate Highway System killed five people and injured more than 100. This collapse was a wake-up call to the American people that our Interstate System is literally failing as it ages.

- In 2005, the American Society of Civil Engineers (ASCE) graded our national bridge system with a “C”, noting that more than one-quarter of bridges are structurally deficient or functionally obsolete.
- ASCE graded road conditions even worse — a “D”. Citing TRIP data, the report notes that Americans spend \$54 billion per year in excess auto repairs and operating costs due to poor roads.



77% of likely voters say that more funds need to be invested to make bridges safe. Only 4% suggested investing less.

Source: Fabrizio McLaughlin & Associates Research, April 2008

- According to FHWA, one out of every three miles of road is in poor, mediocre, or fair condition
- If Congress ignores dangers of our aging highway and bridge infrastructure, Americans will end up paying much more in lost lives, time, and money in the near future. Now is not the time for a penny-wise, pound-foolish approach to these needs.
- When the highway bill is drafted in 2009, it is critical that the 111th Congress take stronger action to ensure that both bridges and pavements are brought up-to-date. This action will keep our infrastructure safe while improving its functionality.

# Major Issues Affecting the 2009 Highway Bill

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## How Do Trucks Keep America Strong in the World Economy?

### The Issue

International competition challenges America's dominance as the world's strongest economy. Our competitive edge relies heavily on the efficient movement of freight. America's trucking industry maximizes its productivity by using "just-in-time" delivery methods that depend on a fast, reliable highway network. This high level of efficiency and productivity lowers costs for consumers when they buy products. Efficient trucking logistics is threatened when the roads deteriorate and congestion impacts delivery timing.

### Our Position

The efficient and reliable movement of trucks is critical to our economic health and our competitive edge in the world economy. Because trucks provide door-to-door service with flexible routing, they are the dominant freight mode, carrying 70 percent of the weight and 80 percent of the value of goods transported in the U.S. Trucks keep America moving and good roads keep trucks moving.

### Background

Highway mobility is essential for six of the major economic sectors that account for 84 percent of our gross national product: services, manufacturing, retail, agriculture, national resources, and transportation itself. Countries with growing economies have learned how freight traffic and good roads have driven our economy and are determined to beat us at our own game.

- As a percentage of its economy, China outspends the United States five to one on highways. China is on track to build 55,000 miles of Interstate-quality highways by 2020, larger than America's 41,000-mile network. India is widening 50,000 miles of its national highways. These routes are being used to transport goods throughout these countries and to their ports.

- Unfortunately, the U.S. is doing little to compete because almost no new Interstate highways are being built. Since 1991, it has been official U.S. policy that the Interstate Highway System is "largely complete".
- Over the next 30 years, the U.S. population will increase by 27 percent, but the economy is expected to grow four times as fast. Truck travel tracks economic growth closely, and is expected to more than double by 2035.
- Efficient roads are essential to keep trucks and the economy moving. In 2005, the Federal Highway Administration estimated direct costs of highway freight bottlenecks at \$7.8 billion per year. With today's high fuel prices, these costs are significantly higher. Most bottlenecks are at major highway interchanges.
- By 2035, more than 14,000 miles of the National Highway System (NHS) will carry more than 10,000 trucks per day, a 200% increase over traffic levels in 2002. On these routes, trucks will make up one out of four vehicles on the road.
- The vast majority of truck traffic is on the 161,000 mile NHS, which includes the Interstate highways. In 2002, 11 percent of our NHS experienced daily congestion. By 2035, this number is project to rise to 40 percent.
- If we continue at our current pace of road construction, we will add less than 5 percent new capacity to our highway system, even as truck traffic doubles. For the sake of our economy, prosperity and quality of life, we must do better.
- The 111th Congress has the opportunity to promote freight mobility in the next highway bill. This is a critical national economic need.

# Major Issues Affecting the 2009 Highway Bill

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## What Role Does Transit Play?

### The Issue

In many cities, the issue of transportation spending often degenerates into a “highways vs. transit” debate. Some advocates claim that simply diverting highway funds to transit or other alternatives would meet our transportation needs.

Other observers point out that 40 years of substantial public investments in transit have not reduced urban congestion and that highways are still essential for freight deliveries and non-commute trips.

### Our Position

A more efficient and improved transit system has an important role to play in our overall transportation system. However, higher transit use alone will not resolve our nation’s growing traffic congestion problems. *With limited funds, transit decisions need to be smart and cost-effective.*

The most cost effective means of transit — buses — depends on good highways. But with a growing number of Americans opting to drive, we need a balanced, comprehensive approach to attacking congestion. In addition to improving the efficiency and convenience of transit, we must also strategically expand our national highway system at key chokepoints and improve the operation of the current system through options like computerized traffic signals and other “smart-road” technologies.

### Background

Transit plays an important role in providing Americans with mobility, particularly in certain niche markets of major urban centers. For example, the 2000 census determined that about one-third of all U.S. public transportation riders live in New York. Key markets include commuting, particularly along heavily traveled routes; mobility for those who are either unable or cannot afford to travel in a private vehicle; tourism; and institutional travel, such as school busing.

In particular, bus transit is one of the most cost effective and flexible forms of public transportation. Because

buses can adapt to changing employment and residential patterns, they are the mode of choice for most transit riders.

Future increases in transit ridership would help meet the nation’s growing transportation needs, and doubling transit ridership over the next 10 years would be an ambitious goal. In a few select transit oriented metropolitan areas, such a doubling could increase transit’s share of trips to as much as 10-to-15-percent of all trips. However, in most areas, because highway travel would also grow, it would mean increasing the percentage of trips made by transit from approximately two percent to three percent.

Even if transit ridership were to double over the next decade, the need for continued investments in our national highway system would remain for two clear reasons. First, highway use would also rise. As a result, more than 90 percent of all U.S. passenger trips and all freight movement would still occur in private vehicles traveling over our network of roads and bridges.

Increasing transit’s modest share of overall travel, however, poses significant challenges for a number of reasons:

- Time is a very precious commodity, especially to families. Most people prefer to commute in a private vehicle because they wish to minimize travel time. According to National Household Travel Survey Data, the average commute by car is 26 minutes, by bus is 38 minutes, and by rail is 45 minutes.
- Many commuters, especially working mothers, make frequent stops on the way to and from work, such as dropping off and picking up children from school, buying groceries, and running other errands. Trips like these generally require the flexibility of the personal automobile, since transit — especially rail transit — runs along fixed routes.
- Most transit trips are trips to and from work, but commuting makes up less than 18 percent of all trips in the U.S.

# Major Issues Affecting the 2009 Highway Bill

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## Can Projects Proceed More Quickly Without Weakening Environmental Regulations?

### The Issue

According to the U.S. Department of Transportation, every ten years that a highway project is delayed, construction costs double. Yet major highway construction projects take, on average, 13 years to wend their way through the various stages of planning, design, environmental review and right-of-way acquisition. *That is more than a decade for a project to go from an idea to the point where a single spade of dirt can be turned!*

Many transportation leaders are looking to move important projects from design to reality more expeditiously, while ensuring that public involvement and environmental progress are not compromised.

### Our Position

The nation pays a great price for unnecessary project delays as the myriad benefits of those projects go unrealized. More crashes, injuries and fatalities result; air quality and fuel economy gains are deferred; product deliveries are delayed; and commuters waste time stuck in traffic that could be improved. The Highway Trust Fund pays a price as well: wasted time means higher project costs and wasted money.

*It is entirely possible to protect the environment and improve transportation simultaneously.* In 2005, Congress authored several streamlining provisions, including pilot programs to allow some states to take greater responsibility in the project review process. President Bush also issued an Executive Order on Environmental Stewardship that enhanced the authority of the Secretary of Transportation to prioritize reviews of projects of national significance. In the next highway bill, Congress can build on these successes by:

- Expanding the pilot programs to all 50 States and making them permanent.
- Codifying the Executive Order on Environmental Stewardship.
- Avoiding additional time-consuming planning and project review hurdles.

### Background

The National Environmental Policy Act (NEPA) was designed to ensure that all public works projects, including highway and other transit improvements, are considered in terms of their potential impact on the environment. In practice, however, only a small percentage of the highway project-planning phase is spent conducting the actual environmental studies required by NEPA.

The studies themselves — assessing potential impact on habitat, wildlife, vegetation and water quality, and soil and drainage — typically are completed within a year or two. That is because the environmental studies are relatively straightforward compared with the tangled web of multileveled bureaucracy that must review and sign off on the study results. By far the largest percentage of the preconstruction phase for a highway project — up to a decade in some instances — is spent preparing required paperwork and transmitting it to and from federal and state agencies.

Examples abound of proposed projects delayed by this cumbersome and costly review process that 60 percent of Americans in a nationwide poll said takes too long.

In the nation's capital, for instance, officials have long known that the 38-year-old Woodrow Wilson Bridge, bearing almost 200,000 vehicles a day on Interstate 95 (I-95) crossing the Potomac River between Maryland and Virginia, must be replaced because of structural problems and inadequate capacity. Yet it took 11 years from the time the first bridge improvement study was initiated until construction finally began in October 2000.

Similarly, a bridge over the Ohio River to connect the Indiana and Kentucky portions of Interstate 265 (I-265) around Louisville, has been in the planning and review process for over 25 years. The ongoing environmental review, public hearings, and litigation have continued to stall the construction of the bridge. In the meantime, Louisville motorists waste time sitting in traffic

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or “taking the long way” to get around town; business development is slowed because of this critical missing link in the area’s transportation network; and local taxpayers foot the bill for even more environmental studies and litigation.

Motorists are aware of the price they pay in lost time and patience when needed road improvements such as these are delayed. It may not be as obvious, however, that the same delays exact a high price in environmental degradation and additional roadway hazards.

**Fast Fact...** The largest percentage of the preconstruction phase for a highway project — up to a decade in some instances — is spent preparing required paperwork and transmitting it to and from federal and state agencies.

A 2004 report by the American Highway Users Alliance indicated that fixing the nation’s 233 worst freeway bottlenecks would produce substantial air quality and safety improvements, while reducing the time that Americans spend stuck in gridlock. Over 20 years, traffic flow improvements at those 233 highway chokepoints would reduce the number of automobile crashes by 449,500, preventing 141,000 injuries and more than 1,150 fatalities, according to *Unclogging America’s Arteries: Prescriptions for Healthier Highways*. Similarly, tailpipe emissions of

carbon monoxide and volatile organic compounds would drop by over 50 percent, and greenhouse gas emissions would fall by 77 percent at those sites. Meanwhile, gridlock-weary commuters would save an average of 15 minutes each way of their round trip — a total of 30 minutes per day.

Clearly, the typical period of time spent in the planning and development of a major highway project has a significant negative impact on public safety, environmental progress, and the economy — not to mention on the personal time and productivity of American motorists. But perhaps surprisingly, most of the delay associated with planning needed highway projects has little to do with a failure to meet environmental standards. Both the law and public sentiment require that highway projects conform to high environmental standards.

The problem is that any transportation project faces a federal bureaucratic and legal obstacle course. There are at least 65 federal laws, regulations and executive orders that directly address the environmental effect of building roads. At least six cabinet departments and three independent or executive agencies have responsibility for administering those various provisions. Due to the proliferation of reporting requirements and the layers of bureaucratic review, the environment itself now takes a back seat to the cumbersome process designed to protect it.

# Major Issues Affecting the 2009 Highway Bill

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## Can Highway Investments Promote Well-Planned Growth?

### The Issue

Across the country and particularly in large metropolitan areas, Americans are talking about growth and the challenges associated with it. While most appreciate the tremendous economic and social benefits that come with growth, many people are expressing concern over “growing pains,” such as traffic congestion, school overcrowding and a perceived shortage of open spaces.

Some want to accommodate growth by both providing necessary public infrastructure — roads, schools, water and sewer systems — and developing a comprehensive plan to preserve open space and maintain local aesthetic values. Others want to stop or slow growth entirely by limiting building permits, drawing growth boundaries to prevent development outside the lines, and rejecting outright any new road capacity. Which camp is right?

### Our Position

Americans are and should remain free to choose where they live and how they travel, and public policies related to future growth should not limit those choices. Instead, infrastructure investments should reflect public sentiments and needs. Transportation investments, in particular, should be aimed at improving road safety, reducing congestion and accommodating, rather than stifling, projected growth in travel. With proper planning, new and improved highways can serve as a backbone for well-planned growth.

Extreme “smart growth” plans that seek to change the behavior of a community’s residents often attempt to increase urban density and shift highway investments to transit alone. But while new urban dwellers may reduce their driving slightly, the additional population and added truck deliveries to service that population mean more drivers, trucks and cars on the road and *more*, not *less*, gridlock.

As an alternative to these extreme plans, we support plans which recognize that increased urban density requires increased road investments. A balanced, comprehensive assault on traffic congestion must

include both the targeted expansion of our highway system and improvements to the operation of existing highways and transit.

### Background

Growing communities often enjoy many beneficial by-products of that growth. Growth in suburban areas is usually the result of new businesses and new jobs, producing a larger tax base and a stronger local economy. Growth in communities also provides individuals with more choices for shopping, dining, daycare, health care, recreation and entertainment. There is a general feeling of progress driven by newcomers finding homes, schools and jobs to improve their quality of life.

The United States is a growing country. By 2030, the U.S. population is expected to increase by 60 million people, creating demand for both new housing and expanded transportation infrastructure.

According to the National Association of Home Builders (NAHB), 83 percent of respondents in a nationwide survey would prefer a detached, single-family home in the suburbs to an equally priced townhouse in the city — even though the suburban home would mean longer distances to work, shopping and public transportation. Other polls show that two-thirds of Americans own their own homes and like where they live. This overwhelming preference for suburban homes contradicts the assertion that smart growth should involve apartment-style living near transit for everyone.

Because Americans are free to live and work where they wish, prohibitions against development in one area will inevitably result in development — and therefore the elimination of open space — elsewhere. Efforts to preserve large tracts of open space by imposing growth boundaries or similar development restrictions can create leapfrog, noncontiguous development, often described as “hyper-sprawl.”

# Major Issues Affecting the 2009 Highway Bill

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## What Should Be Eligible for Funding?

### The Issue

Beginning in 1991, Congress greatly expanded the eligible uses of federal-aid highway funds beyond traditional highway projects. The goal was to provide state and local governments with greater flexibility in selecting projects to meet their transportation needs.

As Congress drafts a successor to SAFETEA-LU, it will consider the rationale for this practice and whether to expand this eligibility further — to intercity rail service (Amtrak), for example — or limit it to more traditional highway projects.

### Our Position

We must hold the line on program eligibility and define national priorities. There simply aren't enough funds available to meet current and future roadway needs, let alone take on the funding needs of passenger and freight rail. If anything, *Congress needs to renew its attention to the vital importance of the National Highway System (NHS)*. Though only 4 percent of our nation's roads, the NHS represents our most important highways, bearing 40 percent of all highway traffic, 75 percent of truck traffic, and 80 percent of all tourist traffic.

This is also an issue of fairness. Why should user taxes collected from private truckers be used to subsidize the railroads that compete with them?

*The Congestion Mitigation and Air Quality (CMAQ) account should be eligible for any project that can be proven to reduce traffic congestion and improve air quality.* It makes no sense that congestion mitigation funds are barred from improving America's worst bottlenecks where the adverse impacts of gridlock are greatest.

*Amtrak, the nation's beleaguered intercity passenger train service, should not be eligible for federal highway funding.*

Highway funds should give state and local officials the flexibility they need to meet local transportation needs. But flexibility should not work only one way — the

same rules that permit states to use highway funds for mass transit capital projects should apply to using mass transit funds for highway projects.

### Background

Most States require that highway user fees be spent on highway projects. But at the federal level, the 18-year old "TEA" program structure permits and encourages a significant amount of diversion of highway fees, harming the credibility of the Highway Trust Fund and reducing support for the gas tax. Since 1991, the gas tax has not been increased for transportation purposes. Today, a gas tax increase is increasingly important and programs will need to be reformed to improve credibility. They include:

#### *Surface Transportation Program*

In particular, ISTEA set up a funding account called the Surface Transportation Program (STP) — essentially a block grant that allows the use of federal highway dollars on any class of road (other than routes that are essentially local roads), mass transit projects, carpool initiatives, safety programs, and Clean Air Act compliance efforts, among other activities.

#### *Congestion Mitigation and Air Quality (CMAQ) Program*

The Congestion Mitigation and Air Quality (CMAQ) program was begun under ISTEA. But with the possible exception of traffic light synchronization, enhanced inspection and maintenance, and vehicle scrappage programs, the "air quality" portion of CMAQ can't claim much specific credit for improved air quality.

Because CMAQ funds cannot be used on the nation's worst bottlenecks or to expand all-purpose road capacity, it also can't claim much credit for fighting congestion. Last year, Americans made 3 trillion trips in private vehicles, accounting for about 99 percent of all surface trips. While a few of those trips were carpools made over HOV lanes financed by CMAQ, nearly all of them were not. And even the lion's share

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of the high-occupant trips were not for commuting purposes, but rather friend and family trips.

If CMAQ is to become effective, the current ban on using it for adding new road capacity must be lifted. Other options for improving CMAQ include:

- *Easing CMAQ's Inflexibility.* Cities that have been designated non-attainment but have not yet been classified in an air quality category should have access to CMAQ funds and all transportation control measures (TCMs) listed in the Clean Air Act should be eligible for CMAQ funding.
- *Making Real "Congestion Mitigation" Projects Eligible for Any Continued CMAQ Program.* Let us face reality. If an ever-increasing number of Americans are commuting by driving to work alone, the only way we'll really reduce congestion is to make CMAQ dollars eligible to expand capacity for single-occupant vehicles and to improve freeway interchanges — our most common traffic chokepoints. Let us establish a simple test for a project's eligibility to receive CMAQ funding — the requirement that the project being funded be proven to actually benefit traffic congestion and air quality.

### *Amtrak*

Past debates over highway bills have often included attempts to make Amtrak eligible for federal highway funding. To date, these efforts have not been successful.

Despite SAFETEA-LU's increased funding, the USDOT continues to document a dramatic need for additional highway and bridge improvement projects. USDOT judges 33 percent of our major roads to be in poor or mediocre condition and rates 26 percent of bridges to be either structurally deficient or functionally obsolete. Highway safety advocates estimate that such substandard highway conditions are a factor in about one-third of all fatal crashes — resulting in some 14,000 deaths annually.

Any attempts to broaden the eligible uses of federal highway funds, including for Amtrak, should be weighed against the backlog of needed highway and bridge improvement projects identified by the federal government.