



## INVEST IN OUR NATION'S FUTURE: REAUTHORIZE THE FEDERAL HIGHWAY PROGRAM

Since the most recent surface transportation law (SAFETEA-LU) expired on Sept. 30, 2009, the highway program has been operating under a series of short-term extensions. The uncertainty surrounding reauthorization has hit the construction industry hard. Without a clear sense of what resources will be available for future investment, states have not been able to plan major new projects. As a result, contractors are not hiring new workers or buying equipment

Unfortunately, Congress and the administration haven't made highway reauthorization a priority. Despite the imminent expiration of the most recent highway program extension on Sept. 30, 2011, the House and Senate have yet to introduce new multiyear bills. AED urges Congress to enact a highway reauthorization law by the end of the year and to find fiscally responsible ways to ensure the long-term integrity of the Highway Trust Fund, restore transparency to the highway program, and to rebuild our nation's crumbling infrastructure.

**In order for the U.S. to remain competitive in the coming years, Congress must make an adequately funded multiyear highway reauthorization bill an immediate priority.**

- TRIP, a national transportation research group, reports that 32 percent of America's major roads are in poor or mediocre condition, that 24 percent of our bridges are structurally deficient or functionally obsolete, and that 44 percent of our major urban highways are congested. Driving on roads in need of repair costs U.S. motorists \$67 billion a year in extra vehicle repairs and operating costs – \$324 per motorist.

- The Texas Transportation Institute, one of the nation's leading authorities on congestion issues, found that wasted fuel and lost productivity due to traffic congestion cost the U.S. economy \$115 billion in 2009. The total amount of wasted fuel topped 3.9 billion gallons - equal to 130 days of flow in the Alaska Pipeline. The amount of wasted time totaled 4.8 billion hours – equivalent to the time Americans spend relaxing and thinking in 10 weeks.

- According to *The Economist*, "Total public spending on transportation and water infrastructure [in the United States] has fallen steadily since the 1960s and now stands at 2.5 percent of GDP. Europe, by contrast, invests 5 percent of GDP in its infrastructure, while China is racing into the future at 9 percent."

- A Federal Highway Administration study concludes that each \$1 billion of federal spending on highway construction nationwide generates 28,000 jobs, including approximately 9,500 in the construction sector, approximately 4,300 jobs in industries supporting the construction sector, and approximately 14,000 other jobs induced in non-construction related sectors of the economy.

- Highway investment has a significant impact on the economic health of the equipment industry. Professor Stephen Fuller of George Mason University in Fairfax, Va., estimated that 6.4 cents of every dollar spent on highway construction are spent at equipment dealerships and that the equipment market impact of the \$39.1 billion 2007 federal highway program was \$2.5 billion.



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