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Restore Certainty to Federal Surface Transportation Infrastructure Programs

Congress must make surface transportation infrastructure investment an immediate priority. Despite the critical importance of our nation's roads and bridges to America's economic growth and competitiveness, the U.S. transportation network is in desperate need of increased funding.

The Highway Trust Fund (HTF) is consistently flirting with bankruptcy as gas taxes and other highway user fee revenues are insufficient to support even the current inadequate levels of transportation investment, let alone the additional construction needed to rebuild America's crumbling infrastructure. The HTF's dire situation repeatedly puts highway and transit investment at risk, creating enormous uncertainty for transportation planners and threatening economic growth.

With the HTF set to go broke in August and the latest highway authorization extension expiring at the end of July, Congress must take action immediately. State transportation authorities are already anticipating slowing contract letting and cancelling projects because of the uncertainty surrounding the HTF and further damage to construction markets is inevitable as Congress continues to delay making politically difficult decisions.

MAP-21 included significant reforms that have made the highway program more efficient and transparent (e.g., environmental streamlining and program consolidation). While more can certainly be done in those areas, now is the time to have a public debate about how to create new revenue streams for the HTF and all options should be on the table to ensure the long-term stability of the federal highway program.

Congress should work in a bipartisan manner to increase or create new user fee revenue streams as part of a broader budget and tax reform deal or during the highway reauthorization process to support and increase infrastructure investment over the long term.

- AED estimates that without action, the pending HTF shortfall would jeopardize at least \$2.4 billion in equipment market activity (i.e., dealer revenue from sales, rental, and product support) and close to 4,000 equipment dealership jobs.
- A 2013 study by College of William & Mary researchers found the HTF will incur a \$365.5 billion deficit by 2035 without action. Restoring the federal gas tax's 1993 spending power by raising it to 25 cents and indexing it for inflation would raise \$167 billion more than current baseline spending needs over the next two decades.
- A 2012 study found that like capital assets bought by a business, over 20 years, each dollar invested in highways and streets returns approximately \$0.35 in tax revenue and for each dollar invested in highways and streets, \$0.23 of tax revenue accrues at the federal level.
- According to the Texas Transportation Institute, traffic congestion (resulting in large part from inadequate capacity) detracts more than \$121 billion per year in wasted fuel and lost productivity from the U.S. economy and costs the average American commuter approximately \$818 annually.