2015 Bottom Line Report by AASHTO and APTA Finds at Least $163 Billion Needed Annually to Fix Nation's Aging Highways, Transit Systems

By Bud Wright, Executive Director
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Congress will have the opportunity to build muscle for the American economy when lawmakers take action in coming months to replenish the Highway Trust Fund and address critical needs in our highway and transit networks.

Investing in that infrastructure will require some gutsy decisions on Capitol Hill about how to pay for it, but the bottom line is this: We have a choice between making the country stronger or making it weaker. We can pay to fix our transportation systems, and then reap the payback that comes from oiling the machinery of commerce. Or we will certainly pay higher and higher costs from slower commuter and freight travel, more highway crashes and deaths, more disposable income lost from extra hours stuck on roads, more car and truck repairs from jostling on broken pavement.

For starters, the trust fund's direct revenue stream -- from various excise taxes on motor fuels and truck equipment -- is nowhere close to keeping pace with the amounts federal programs now pay states for capital investment in roads, bridges and mass transit systems.

What many of us also know is that simply maintaining current federal spending levels won't get the job done.

The chief executives of state DOTs, who make up the board of directors of the American Association of State Highway and Transportation Officials, are on the front lines every day along with transit agency leaders, trying to manage a system that supports our economy and quality of life.

The new "Bottom Line Report," prepared for AASHTO and the American Public Transportation Association, makes a strong case that just shoring up the Highway Trust Fund to maintain current levels will not make much of a dent in congestion that saps economic vitality. It shows that a flat-level federal program will not keep pace with increased vehicle miles traveled on highways or with demands for public transportation services, much less close the investment gap that already exists.

The report shows that highways alone need annual capital investments of $120 billion to $156 billion – depending on how rapidly usage grows -- from all levels of government to maintain infrastructure and launch new projects that expand capacity. But federal, state, county and city budgets only spent a combined $88 billion on highway capital improvements in 2010, the last year for which full figures are available, not counting temporary funds from the 2009 Recovery Act.

That alone leaves a huge gap. But the real problem facing states and local partners is even worse, and underscores the urgent need for more help from Washington.

When we think of the federal contribution to capital projects, we often overlook the separate operating costs state DOTs and local agencies face, from patching potholes and running snow plows to paying worker salaries. Total operating and capital spending by government on highways is about $156 billion a year; the federal share is only about a fourth, leaving states, cities and counties to make up the rest.

And transit? For 2011, U.S. transit agencies at all levels put $17.1 billion into their capital budgets. What is needed, says that Bottom Line Report, is $43 billion a year.

For years, the amount of money the federal government pays states and transit agencies for transportation system investments has held about flat. Some lawmakers would be content to just line up enough revenue to maintain that pace. Yet the real need across the country is for Congress to take bigger strides, do more to close the investment gap.

I began by saying Congress can take this opportunity to build muscle in the economy. Transportation investments do just that.

They create industrial jobs to produce components of bridges and transit equipment, to ship gravel, asphalt, sand and cement to job sites and of course to engineer and build the projects.

Those worker salaries and input purchases ripple through the economy to spur consumer spending. That helps pay back state and federal budgets through more tax revenue, both in the construction phase and for decades to come as those projects pave the way – literally – for commerce to grow as congestion eases.

As our report documents, investing in surface transportation projects also saves lives and cuts other costs associated with vehicle crashes. It supports our quality of life, improving communities and making connections so people can travel efficiently to and from work, to visit family, go shopping or take vacations. It boosts tourism, fosters business expansion and allows U.S. exporters to ship goods more efficiently as they compete for global sales. Improved transportation leads to higher local-area per capita income and boosts property values.

We are seeing some success. Many states and localities have raised more of their own funds or partnered with private investors to build projects that improve their networks. Congress in 2012 upped the U.S. DOT's loan portfolio dramatically, and that is starting to flow to new infrastructure projects.

But the main federal programs limp along. Like an athlete in training or someone recovering from an illness, it takes commitment and investment to build strength. Not doing so makes us weaker and puts us at greater risk of faltering, while we lose many opportunities for the effort not taken.

Bud Wright is the executive director of the American Association of State Highway and Transportation Officials. Additional information on the AASHTh/APTA Bottom Line Report is available at http://bottomline.transportation.org.