Highway Conditions and Funding Needs

August 26, 2012 – The American Concrete Pavement Association (ACPA) holds the view that MAP-21, the Moving Ahead for Progress in the 21st Century Act (P.L. 112-141) was extremely important transportation legislation to prevent a major lapse in funding transportation infrastructure. MAP-21 was signed into law by President Obama on July 6, 2012. Funding surface transportation programs at over $105 billion for fiscal years (FY) 2013 and 2014, MAP-21 is the first long-term highway authorization enacted since 2005. However, it does not adequately address funding needs for highways and roads.

MAP-21 extended the previous law (SAFETEA-LU) for the remainder of FY 2012, with new provisions for FY 2013 and 2014 taking effect on October 1, 2012. Funding levels are maintained at FY 2012 levels, plus minor adjustments for inflation – $40.4 billion from the Highway Trust Fund (HTF) for FY 2013, and $41.0 billion for FY 2014.

Important considerations for the investments needed are:

> **Poor Road Conditions** – Poor conditions cost motorists $67 billion a year in repairs and operating costs – $324 per motorist. Thirty-two percent (nearly one third) of America's major roads are in poor or mediocre condition.
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> **Congestion** – Forty-four percent of America's major urban highways are congested. Traffic congestion costs American motorists $101 billion a year in wasted time and fuel costs. The average U.S. commuter loses 34 hours each year due to traffic congestion. Congestion on the nation's roads has prompted the American Society of Civil Engineers to decrease its overall grade for roadway infrastructure to a D- in 2009. 45% of major urban highways are congested.
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> **Safety** – Roadway conditions are a significant factor in approximately one-third of traffic fatalities. There were nearly 33,000 traffic fatalities in 2010 in the U.S. A total of almost 188,000 people died on U.S. highways from 2006 through 2010. Motor vehicle crashes cost the U.S. $230 billion per year—$819 for each resident in medical costs, lost productivity, travel delays, workplace costs, insurance costs, and legal costs. Next to safety, congestion has become the most critical challenge facing the U.S. highway system.

Current spending for highway capital improvements is well below the estimated levels needed annually to substantially improve conditions. In 2006, the National Surface Transportation Policy and Revenue Commission studied the impact of investment levels and provided the following ranges of average annual capital investment needs (in 2006 dollars):

> $130 billion–$240 billion for the 15-year period 2005–2020;
> $133 billion–$250 billion for the 30-year period 2005–2035;
> $146 billion–$276 billion for the 50-year period 2005–2055.

The lower estimates allow for the costs of maintaining the condition at current levels, while the higher end of the range would allow for highway system expansion, which would provide improved conditions and performance in light of increasing travel demand. (MAP-21 does not provide enough funding to even reach the lower range of these estimates, which portends a continuing and perhaps further accelerated decline in highway and road conditions.)

Compounding the funding challenge are heavy demands on the road system. Americans rely almost exclusively on motor vehicles for mobility. Travel in private vehicles accounts for 88 percent of all person miles of travel. Vehicle travel on America's highways increased by 38 percent from 1990 to 2010, while new road mileage increased by only four percent. The nation's population grew by 25 percent from 1990 to 2009. From 1994–2004, ton miles of freight moved by truck grew 33%, and this trend continues. The increase in freight traffic is of particular concern because of the increased dependency of commerce upon the efficiency of the roadways and the added wear and tear caused by trucks. MAP-21 simply cannot adequately address this situation, and the negative trend will continue until adequate investment and attention are given to this challenge.

The failure to adequately invest in the nation's highways and roads will lead to increased congestion and delays for motorists and the further deterioration of pavement conditions and will pose increased safety concerns. An overstressed infrastructure will also slow freight delivery, create unpredictability in supply chains, diminish the competitiveness of U.S. businesses, and increase the cost of consumer goods.

ACPA supports those who are seeking a significant change in the way we manage the system, which should include the use of emerging technologies, innovative operational strategies, and the infusion of more competition to maximize the buying power of the available funding.

ACPA also supports the development of a new funding mechanism for the highway and road network. It is clear that the current funding model for the Highway Trust Fund (HTF) is falling short. While acknowledging the need to move to a new, sustainable funding system in the long term, in 2006 the National Surface Transportation Policy and Revenue Study Commission recommended an increase of 5–8 cents per gallon in the gas tax per year over 5 years to address projected shortfalls. Their shortfall predictions were correct and several infusions of funds from the federal government's general budget to the HTF were necessary over the past few years.

We cannot continue to rely upon non-indexed gasoline and diesel taxes to generate the HTF revenues, as the funding challenge compounds with increasing use and associated wear and tear of the system. An increase in the gas tax (user fee) is necessary in the short term, but our national policy must move toward a system, such as VMT (vehicle miles traveled) that more directly aligns fees charged with the benefits derived by the user.

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