

Funding for Freight Mobility in Next Surface Transportation Bill

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National Transportation Visions Over the Last Century

1915	Get Farmers Out of the Mud
1956	Coast to Coast Without a Stoplight
1991	ISTEA: Safe and Intermodal
2008 and Beyond	New Strategy Which Goes Beyond What Has Been Done Before

New Dynamics Require New Solutions Global Competitiveness

- Global competition from China, India and Europe
- Aggressive foreign investment in freight systems and high speed rail
- Need to compete as North American Market by integrating transportation of the U.S., Canada and Mexico
- Need to invest in projects of national significance

New Dynamics Require New Solutions

Metropolitan Mobility Strategies

- Intercity passenger rail in mega-regions
- Double transit ridership by 2030
- Advanced ITS technologies and aggressive management
- Fix bottlenecks, add highway capacity, HOT lanes and dedicated truck lanes
- Improve Access to Ports

New Dynamics Require New Solutions: Global Climate Change

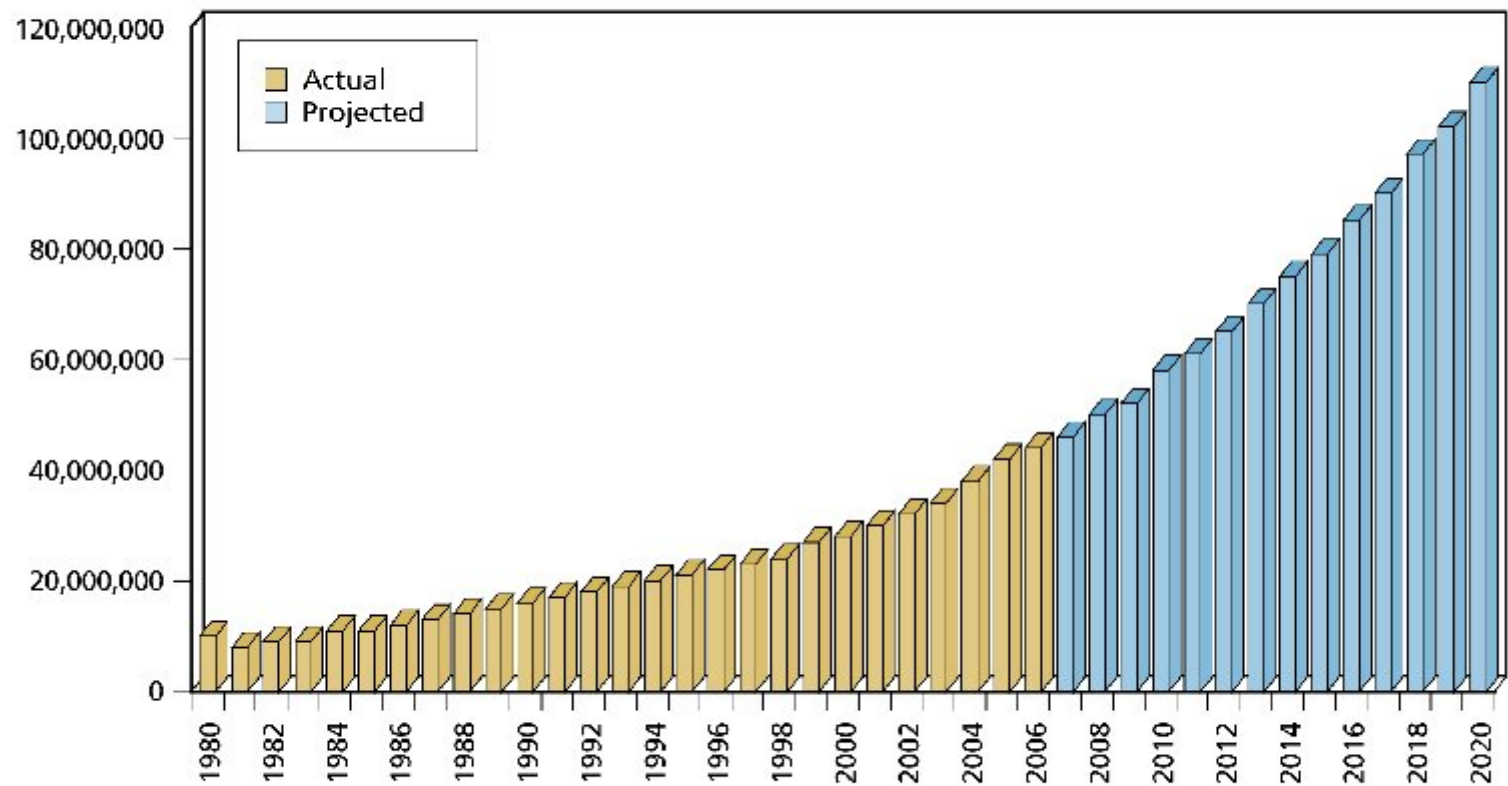
- Double the fuel efficiency of the light duty automotive fleet by 2020
- Cut the rate of growth in VMT in half: 1% rather than 2%.
- Increase percent who walk, bike, and work at home
- Maximize shift of long-haul freight from highway to rail

Huge Increase in Freight Expected

- Demand to exceed capacity of many ports by 2010
- Tsunami of freight from Pacific Rim.
- Truck freight expected to double by 2035.
- Rail freight expected to increase 65% by 2035

A Tsunami of Freight

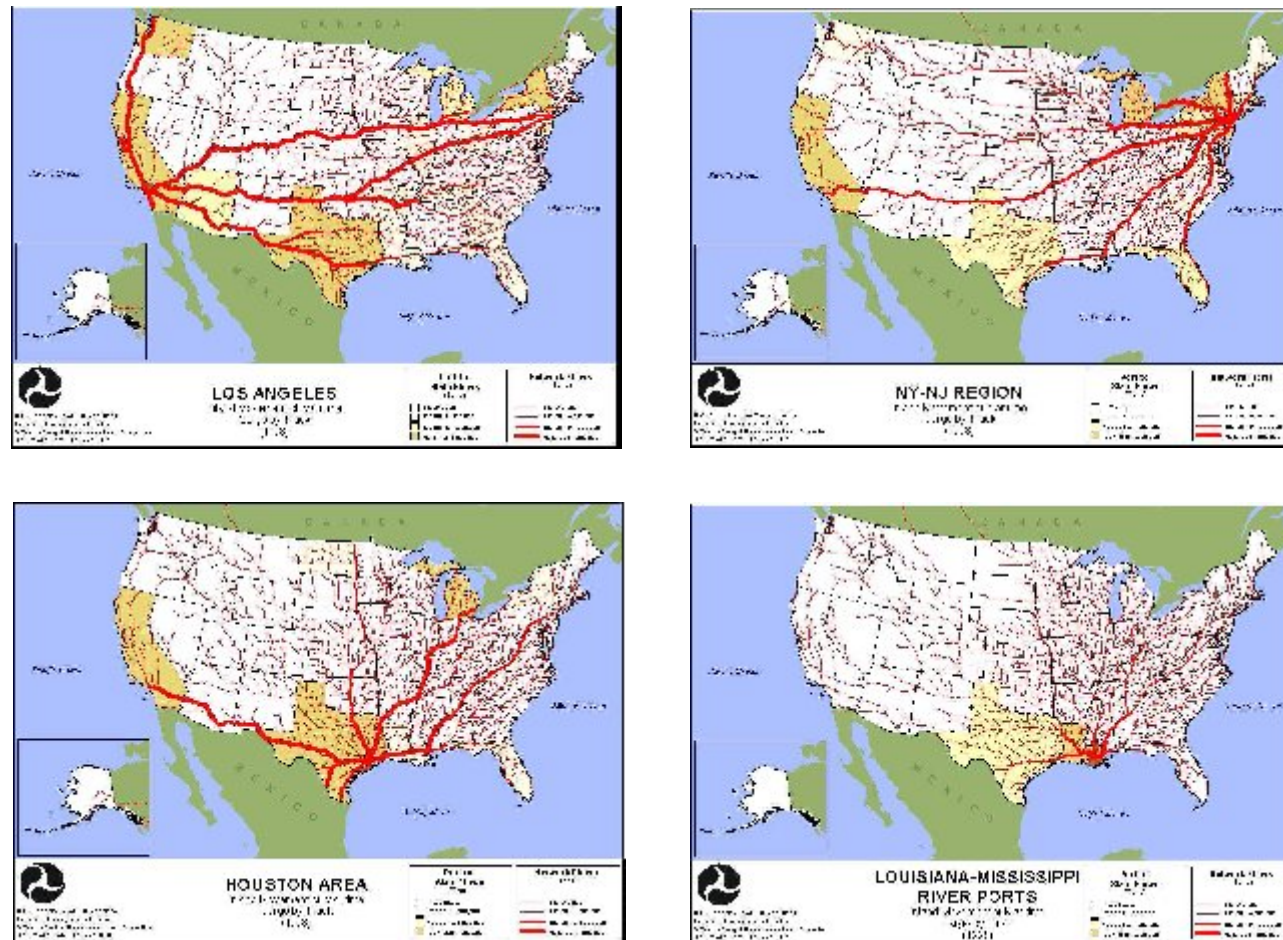
Figure 6. Historic and Projected U.S. Container Traffic (TEUs)



Source: Cambridge Systematics.

Port Truck Traffic

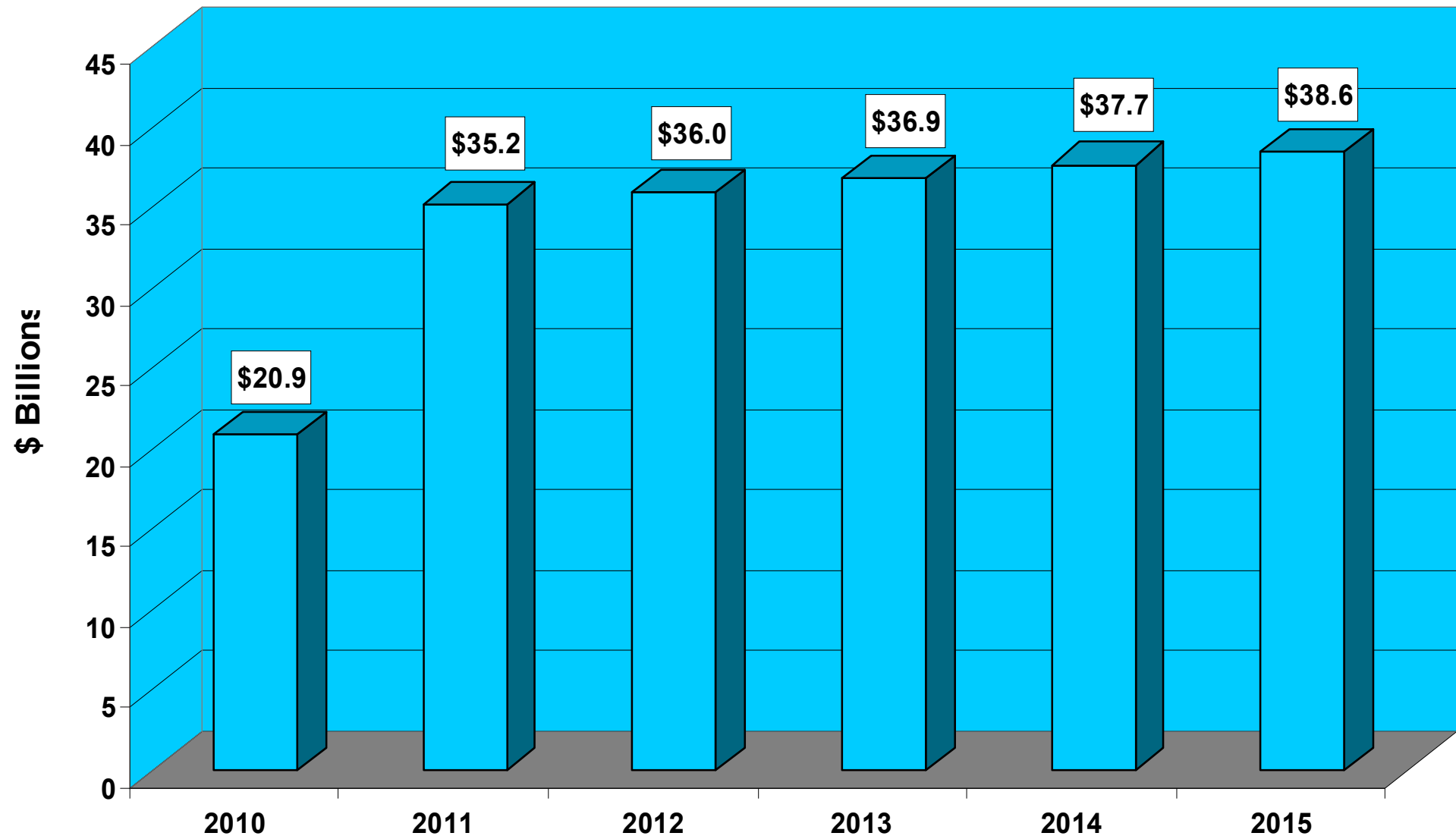
Figure 3.16 Port-Related Truck Flows
Top Two Container Ports and Top Two Tonnage Port Regions



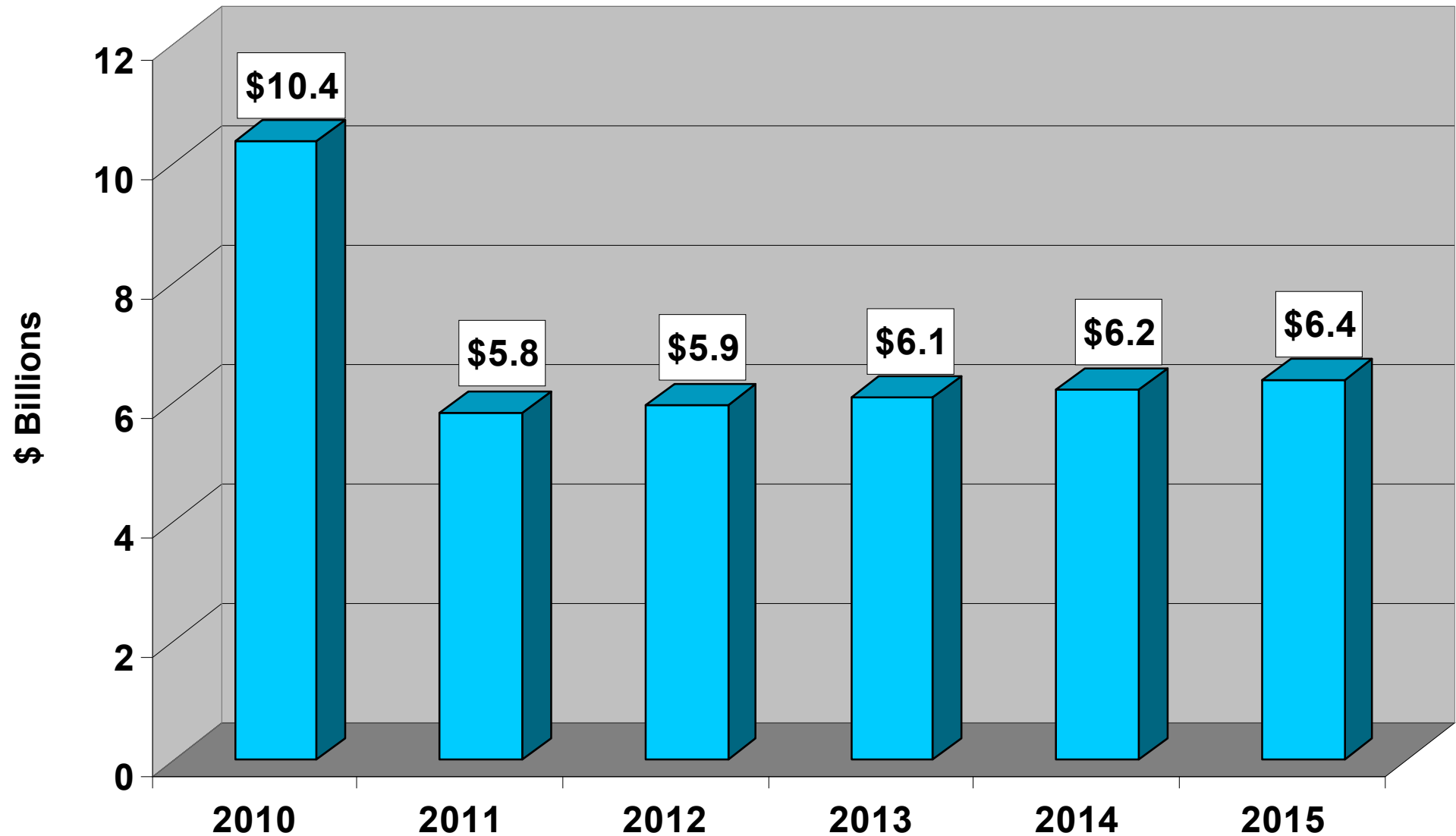
The Crisis In Highway Funding

- Short-term funding crisis averted by \$8 billion transfer to Highway Trust Fund.
- Skyrocketing construction costs erode purchasing power by 80+%

Reduced Highway Program Levels Beyond 2009



Reduced Transit Program Levels Beyond 2009



Alternatives in 2009 for Federal Highway and Transit Programs

- Accept 33% reduction in Federal Aid and reduce each state's transportation program by amount of cutback.
- Accept 33% reduction in Federal Aid and increase taxes to make up for Federal cutback.
- Reject cutback and tell Congress to increase revenues enough to sustain the Federal Program at levels needed.

National Surface Transportation Commission Recommendations

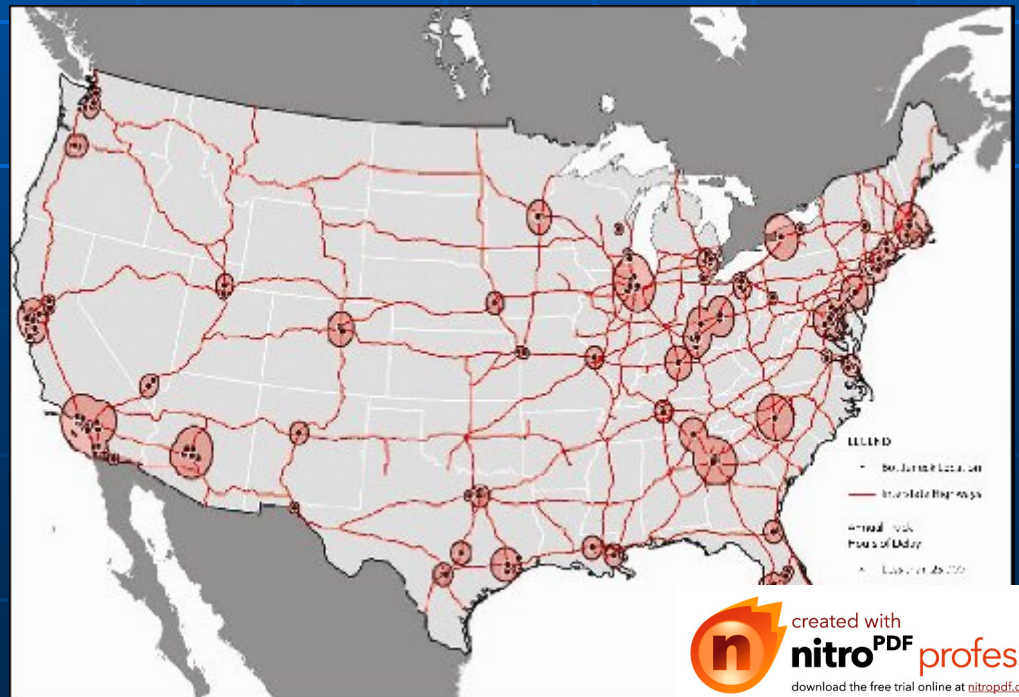
- Create a National Freight Transportation Program
- Fund freight improvements through user fees such as container fees and Percentage of customs fees
- Investment tax credit for railroads

ARTBA Critical Commerce Corridors Concept

Program to improve National Freight Network

Funded through Freight-related User Fees from Outside Highway Trust Fund

Fix Bottlenecks,
Fund Freight Gateways,
Corridors, Intermodal
Connectors, and
Border Crossing
Improvements



AASHTO to recommend new Freight Program

- Create a National Freight Program
- Cooperatively Describe the National System
- Fund Multi-state Freight Corridor Efforts
- Apportion \$18 billion in HTF resources to fund state freight projects
- Provide \$42 billion from outside the HTF to fund freight projects (50% apportioned to states)
- Reauthorize other SAFETEA-LU freight programs

Menu of revenue options beyond fuel taxes (6-year period)

- Current Trust Fund Revenues \$250 billion
- General Fund for Transit \$ 20 billion

Options:

- Diesel 13 cent increase \$ 36 billion
- Freight Fees \$ 42 billion
- Tax Credit Bonds \$ 50 billion
- Customs Fees (5% to transportation) \$ 11 billion
- Progressive Odometer Fees
on annual VMT 1 cent/mile \$100 billion
- Transportation Share of Climate Change
Cap and Trade or Carbon Tax Revenues \$100 billion

Oregon VMT Tax dependent on GPS, at least 10 years away.

Thank You

<http://www.transportation.org>

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