Funding for Freight Mobility in Next Surface Transportation Bill

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## National Transportation Visions Over the Last Century

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<th>Year</th>
<th>Vision Description</th>
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<td>1915</td>
<td>Get Farmers Out of the Mud</td>
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<td>1956</td>
<td>Coast to Coast Without a Stoplight</td>
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<td>1991</td>
<td>ISTEA: Safe and Intermodal</td>
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<td>2008 and Beyond</td>
<td>New Strategy Which Goes Beyond What Has Been Done Before</td>
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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.
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

- 2010: $20.9 Billion
- 2011: $35.2 Billion
- 2012: $36.0 Billion
- 2013: $36.9 Billion
- 2014: $37.7 Billion
- 2015: $38.6 Billion

$13.5 Billion Cut in Federal Highway Program
$10.4 Billion Cut in Federal Highway Program
Reduced Transit Program Levels Beyond 2009

2010: $10.4
2011: $5.8
2012: $5.9
2013: $6.1
2014: $6.2
2015: $6.4
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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