



A bold voice for transportation workers

**THE TIME TO INVEST IN TRANSPORTATION INFRASTRUCTURE IS NOW:
CONGRESS MUST TAKE IMMEDIATE STEPS TO ENSURE
SUSTAINABLE AND STABLE FUNDING**

America's federal surface transportation program supports the world's largest economy across a complex, multimodal network, inclusive of nearly 9 million miles of road, more than 600,000 bridges, and public transportation systems that support about 10 billion trips annually.

Building our surface transportation network — along with the other major investments that our federal government made in airports, dams, ports, and waterways — was one of the single most important policy decisions in American history; one that is emblematic of the leadership and courage that defined the America that we know today. To be sure, it was an audacious goal in its time. One can hardly imagine politicians finding the will to connect two neighboring cities by rail today, let alone an entire nation. But our parents and grandparents believed deeply in an America that could get it done, and they went to work.

While designing and building the largest public works projects in the history of human civilization, that generation of Americans left behind another vital legacy. By demanding that working people have a voice on the job and earn living wages, they created an economic system that allowed the middle class to grow and thrive. They fought to ensure that those who built this country and contributed to its economy enjoyed the benefits of a strong union contract.

Today's transportation labor workforce knows the value of those legacies better than anyone. Like the generations that came before them, they know that we do not build roads, design interchanges, maintain highways, or operate public transportation as an end in itself. Rather, they know that we do these things so that we can leave behind an even greater America for our children than the one that our parents left for us. They do it to connect people to opportunity, to jobs, to healthcare, and to education. They do it because they know that today, our transportation network is our economic competitive advantage in a modern global economy.

Yet, Congress and numerous administrations have spent more than twenty-five years putting this system, the good union jobs that come along with it, and by extension, our entire national economy on the line by failing to address the significant revenue shortfalls facing our surface transportation program.

User fees, collected primarily through an 18.4 cent-per-gallon tax on gasoline and a 24.4 cent-per-gallon tax on diesel, generate the revenue that pays for our federal surface transportation program. Those dollars support both the federal Highway and Mass Transit Accounts that make investments in good roads and safe, reliable transit a reality across our country. Traditionally, this revenue was able to keep pace with the demands of a growing America, and with it, a growing American economy. However, in 2008, spending exceeded declining revenue in the fund for the first time

since its creation in 1956. To shore up the trust fund, Congress has supplemented the account with about \$140 billion through significant transfers from the U.S. Treasury general fund, other federal funds, and through accounting gimmicks.

This decline is due primarily to the fact that the user fees on gasoline and diesel have not been increased since 1993, and neither are indexed to factors including fuel economy standards, construction costs, or inflation. The result is a user fee with a purchasing power that is worth 40 percent less than its value in 1993. Furthermore, technological innovations and federal fuel economy regulations have made vehicles more efficient, resulting in further reductions in revenue for the trust fund.

While general fund transfers and budget gimmicks helped increase spending slightly in the Fixing America's Surface Transportation (FAST) Act of 2016, the extra revenue is simply not enough to meet demands that we place on our transportation system today, let alone the demands that are going to be placed on it in ten years. If Congress wants to leave a legacy for our children, the way our parents and grandparents did for us, they have no choice but to generate and spend the levels of revenue demanded by the pressures placed on our surface transportation system.

There are real steps that Congress can take today to meet our transportation and workforce needs. Though the FAST Act does not expire until September 2020, we call on Congress to bring legislation to the floor this year that would immediately fund our transportation infrastructure needs. To start, Congress should increase the user fee on gasoline and diesel fuels, and index them, at a minimum, to inflation. That additional money could go to work improving American infrastructure and creating good jobs immediately due to a provision in the FAST Act that allows newly identified revenue to increase the formula programs proportionately before its reauthorization.

Some members of Congress fear that a modest increase in the user fee would be regressive and hit their constituents in their pocket books. TTD knows that these fears are unfounded, and encourages lawmakers to consider clear evidence to the contrary. While a \$0.25 increase in the gasoline tax would cost most drivers between \$100 and \$300 annually, numerous economic analyses demonstrate that a failure to invest in our surface transportation infrastructure hits American families to the tune of about \$1,400 to \$1,600 in disposable income annually due to repairs and time spent in traffic.

While an extra \$100 would be welcome to many Americans, a new \$1,500 front end or \$200 tire will quickly wipe those savings away. In addition, motorists will spend as much as 155 hours per year in traffic. That is an entire month lost in lost productivity and time not spent with their families, all because Congress did not meet the current needs of our system.

That is the true regressive cost to Americans and it is due purely to Congress's failure to act.

In addition to raising the user fee on gasoline and diesel fuels, Congress should take additional steps to ensure that everyone is paying their fair share. Electric and fuel-efficient vehicles contribute either nothing or significantly less to the Highway Trust Fund than other vehicles. A

modest annual registration fee, for example, would ensure that everyone is paying into the account equally.

In the long-term, it is clear that the user fee on gasoline and diesel fuels is not sustainable. Ultimately, transitioning to a mileage-based user fee may represent a more equitable solution and will allow for a true user-pays system. Congress must begin holding hearings with academics, practitioners, and other experts on this topic, evaluate and address challenges in current and previous pilot projects, and move to greatly expand pilot projects across state lines so that the technical challenges associated with administering and collecting a mileage based user fee can be solved. They must do this now, well before the transition to low- or no-fuel vehicles renders our current user fee even less effective.

Finally, TTD recognizes that the surface transportation program is but one part of a much broader transportation network that is inclusive of aviation, freight and passenger rail, and sea and inland ports. Each component of this network is vitally important to, and has a significant impact on the effectiveness of the other. Yet, like the surface transportation program, Congress has underfunded each for too long. It would be a mistake for Congress to write off the opportunity at hand for an across-the-board infrastructure package that makes serious investments in every component of our transportation network. In doing so, TTD urges Congress to consider our past policy statements on aviation funding, the Harbor Maintenance Trust Fund, and passenger rail.

America's transportation workforce knows what is at stake. We all want to leave behind an even better legacy of roads, bridges, and transit than the one our parents had the courage to create for us. But we cannot fix our transportation infrastructure system and continue creating good jobs until members in Congress, the president, and administration officials show the leadership that this crisis demands.

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