



AMERICAN COUNCIL OF ENGINEERING COMPANIES

Investing in Transportation = Economic Growth

ISSUE

A key priority for the engineering industry is passage of a new federal highway, transit and safety program to replace the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (“SAFETEA-LU”), which is set to expire.

While ACEC supported the investments for transportation in the American Recovery and Reinvestment Act, that funding has largely been directed to simple resurfacing projects, and much more needs to be done to address the serious backlog of more significant improvement projects. Only through the passage of a new surface transportation bill, with dramatically increased multi-year funding guarantees, will states be able to invest in major design and construction projects that will help to revitalize the economy and reduce congestion, improve safety and enhance mobility and access.

According to the National Surface Transportation Policy and Revenue Study Commission, the system needs investments of “at least \$225 billion annually from all sources for the next 50 years to upgrade our existing system to a state of good repair and create a more advanced surface transportation system.” The U.S. currently invests \$85 billion annually from all levels of government, less than 40% of what is necessary.

The House Transportation & Infrastructure Committee is moving forward with a six-year, \$500 billion bill to renew and reform federal surface transportation programs. Unfortunately, the Obama Administration has called on Congress to postpone consideration of the bill and extend current programs until 2011. ACEC supports action on a six-year bill now, because an extension simply prolongs the underinvestment and uncertainty that are preventing states and local governments from pursuing vitally necessary projects to revitalize the nation’s highways, bridges and other critical infrastructure.

KEY POINTS

- *Current funding levels fall short of meeting the Nation’s transportation needs.*
 - One out of every four bridges has either significant deterioration or no longer meets current standards for lane width or clearance height.
 - Deficient roadway conditions are the leading factor in more than half of the 42,000 deaths every year from vehicle crashes on the nation’s highways.
 - The average rush hour commuter loses 38 hours – an average work week – stuck in traffic every year, and congestion exacts an \$87 billion toll in wasted fuel and lost productivity.
- *Transportation investment creates short and long term economic growth.* Every \$1 billion in spending on infrastructure supports over 34,000 jobs. Each dollar of highway and transit investment generates \$2.20 of GDP growth through demand for products and services and related economic activity.
- *Failure to pass a long-term bill would undermine any gains from the Recovery Act.* More than half of all states have cut or are planning to cut transportation funding in 2010. Without the stability and certainty of a six-year bill that guarantees annual funding commitments, transportation planners will continue to cut back, delay or cancel important projects.

ACEC POSITION

- Support passage of a six-year transportation authorization bill this year, with robust funding increases and mechanisms to ensure adequate and stable financing to meet the needs of a growing economy.