



AMERICAN COUNCIL OF ENGINEERING COMPANIES

# POLICY PRIORITIES

For the 116th Congress

## ENGINEERING A 21ST CENTURY INFRASTRUCTURE AGENDA

ACEC and its members call on the U.S. Congress to quickly enact a bold national infrastructure strategy that significantly increases investment in existing core federal infrastructure programs to bring our facilities to a state of good repair and modernize our systems for a growing economy and changing population.

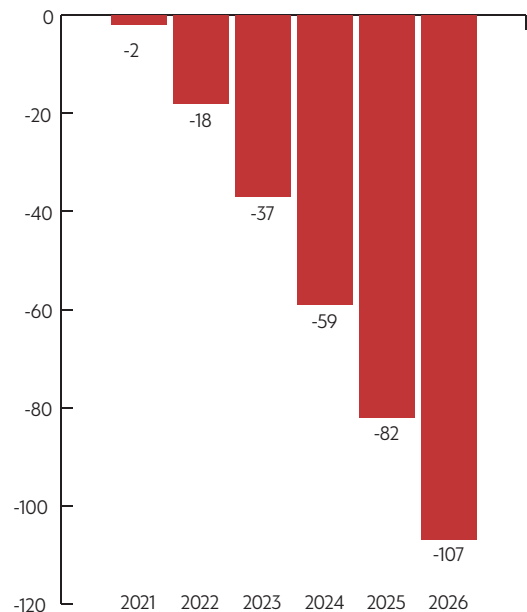
### Key Points:

- 44% of major roads in poor or mediocre condition.
- 23% of bridges structurally deficient or functionally obsolete.
- \$600 in vehicle damage and \$960 annually in congestion costs for the average driver.
- 144,000 hours of lock shutdowns on U.S. waterways due to maintenance and unexpected delays.
- \$271 billion needed to maintain and improve wastewater and stormwater treatment systems over the next twenty years; \$472.6 billion is needed for drinking water projects.
- FAA forecasts a 50% increase in airline passengers between 2017-2038.
- Every infrastructure dollar delivers nearly \$4 in economic activity – a 4:1 benefit ratio.
- \$1 billion invested in water infrastructure creates 23,000 jobs.
- Modernized transportation, water, energy, and communications networks will reduce carbon emissions, mitigate the impact of climate change, and foster environmental health.

### Action Items:

- Raise revenues to restore solvency to the Highway Trust Fund, and support continued development of alternative funding mechanisms such as mileage-based user fees.
- Cosponsor HR 1497 to reauthorize and expand the Clean Water Act SRF program.
- Cosponsor the Public Buildings Renewal Act (HR 1251/S 932), to create \$5 billion in private activity bonds for schools, courthouses, libraries, law enforcement facilities, and universities.
- Lift the cap on Passenger Facility Charges (PFCs); boost Airport Improvement Program funding.
- Incentivize private investment through TIFIA, WIFIA, RRIF, and Private Activity Bonds.
- Oppose policies that restrict the ability of State DOTs to contract with local firms.
- Streamline regulations for efficient project delivery while ensuring environmental performance and public interest protections.

Projected Cumulative Highway Trust Fund Balances, FY2021 - FY2026



Source: GAO analysis of CBO data (GAO-17-317)

# WHAT IS THE HIGHWAY TRUST FUND?

and

## WHY IS IT GOING BROKE?



The Highway Trust Fund (HTF), was established by Congress in 1956 to invest in our Nation's highways, roads, and bridges. It is funded to this day through a user fee assessed on every gallon of gasoline or diesel fuel you buy.



Every time you fill up your tank, you help pay for the roads you're using.



Today, federal funding through the HTF provides roughly 51% of the money for all new road and bridge projects in the United States.

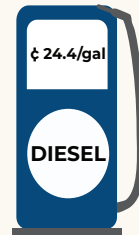
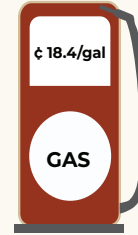


Designed to only be spent on infrastructure.

### FACT:

The current user fees were set in 1993 and haven't been increased since.

They **are not** indexed for inflation.



## THE PROBLEM: COSTS ARE GOING UP & REVENUES ARE FALLING

**40%**

How much purchasing power has declined over 25 years due to inflation.\*

**66%**

The rise in construction costs since 2000.\*\*

**300**

The average number of miles a vehicle needs to travel before filling up. (20 mpg / 15 gal tank).\*\*\*

Increased fuel economy, inflation, and changing consumer tastes for hybrid and electric vehicles have all weakened the Highway Trust Fund.

Since 2008, Congress has transferred \$140 Billion in General Fund revenues to shore up the HTF, including \$70 billion in 2016.†

## THE DANGER: THE FUND WILL GO INSOLVENT BY 2021

The Congressional Budget Office projects that outlays from the Highway Trust Fund will **exceed trust fund reserves** by a cumulative \$123 billion for the highway account and by \$46 billion for the mass transit account by 2029.

If no action is taken, the Congressional Budget Office estimates that both accounts of the Highway Trust Fund (Highways and Mass Transit) will go insolvent in FY2021. First, the Mass Transit Account will go broke, followed by the Highways Account.

If another bill simply extends the FAST Act for six years (FY2021 to 2026), it would cost \$95 billion just to bail out the Fund and return each account to a zero balance.\*\*

## THE SOLUTION: CONGRESS MUST RAISE THE USER FEE



A 15 cent increase in the Federal user fees would ensure the Fund's solvency and bring it in line with inflation.



More than 30 states have already taken action to address their own user fee increases to fund infrastructure improvements in their state.



***It is time for Congress to follow the states' lead and act to ensure the Fund's solvency.***

\*<https://www.pgpf.org/blog/2018/12/its-been-25-years-since-we-last-raised-the-gas-tax-and-its-purchasing-power-has-eroded/>  
†<https://tep.org/an-unhappy-anniversary-federal-gas-tax-reaches-25-years-of-stagnation/>  
\*\*<https://www.epa.gov/automotive-trends/highlights-automotive-trends-report>  
\*\*\*<https://www.taxpolicycenter.org/briefing-book/what-highway-trust-fund-and-how-it-financed>  
††<https://www.enrtrans.org/article/cbo-issues-update-of-highway-trust-fund-forecast/>