

Nevada Transportation Conference
Las Vegas, Nevada
Tuesday, April 8, 2014

SESSION 1: “FUNDING”

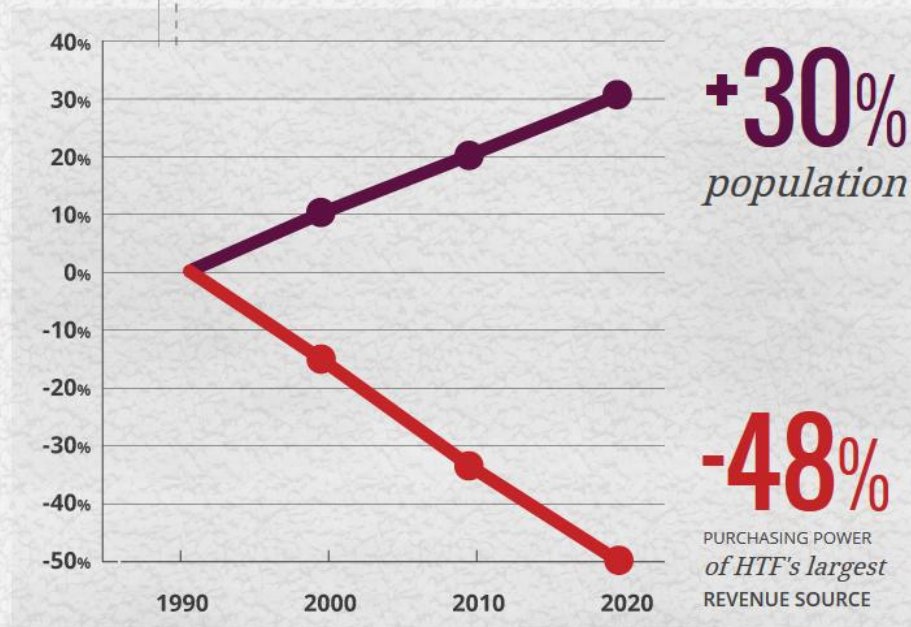
Presented by
Bud Wright
Executive Director
American Association of State Highway
and Transportation Officials (AASHTO)

NATION AT A Crossroads

**Without a strong transportation network, America goes nowhere.
And without federal investment, our system falls apart.**

*What happens to our economic future if the
Highway Trust Fund (HTF) dead-ends?*

Investment hasn't kept up.



Sources: US Census, Bureau of Labor Statics, AASHTO

Infrastructure continues to fail.

54%



OF AMERICA'S
MAJOR ROADS
are rated ★ ★ ★ ★ ★

**POOR OR
MEDIocre**

Source: TRIP

1 IN 4

BRIDGES NEEDS **SIGNIFICANT REPAIR**
OR CAN'T HANDLE TODAY'S TRAFFIC



Source: AASHTO

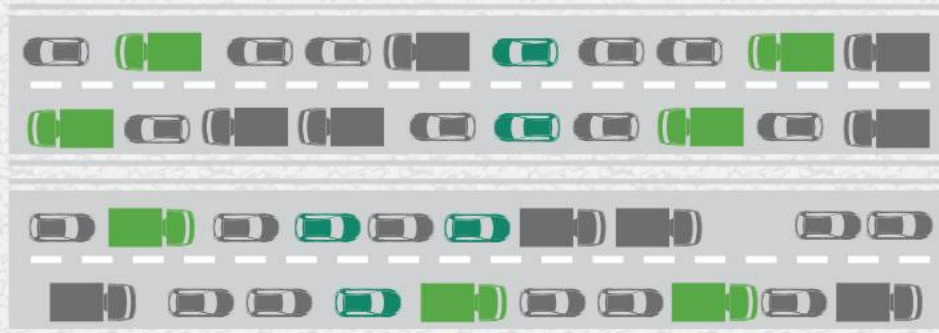


45%

OF AMERICANS
DON'T HAVE
access to transit

Source: ASCE

BY 2030, WE'LL SEE A
25% INCREASE
*in overall **vehicle** travel*



64% INCREASE
*in travel by large **commercial trucks***

Source: TRIP

Is our safety at risk?

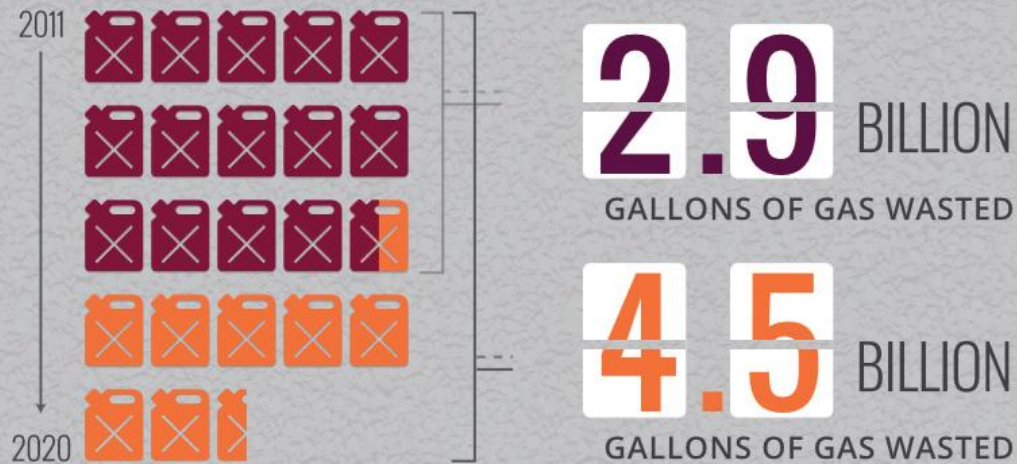
33,561 PEOPLE DIED IN
traffic crashes in 2012

ROAD CONDITIONS
ARE A FACTOR IN



U.S. traffic fatalities

Source: ASCE



COSTING
the average commuter
**MORE THAN \$800 AND A
WORK WEEK EACH YEAR**

Source: Texas A&M Transportation Institute

CONGESTION *is costly*



GRIDLOCK *Ahead*

Loss of MAP-21 funding and HTF insolvency
will endanger our economy and mobility.

\$51

BILLION

IN MAP-21
funding will
EXPIRE IN FY2014

Sources: FHWA, FTA

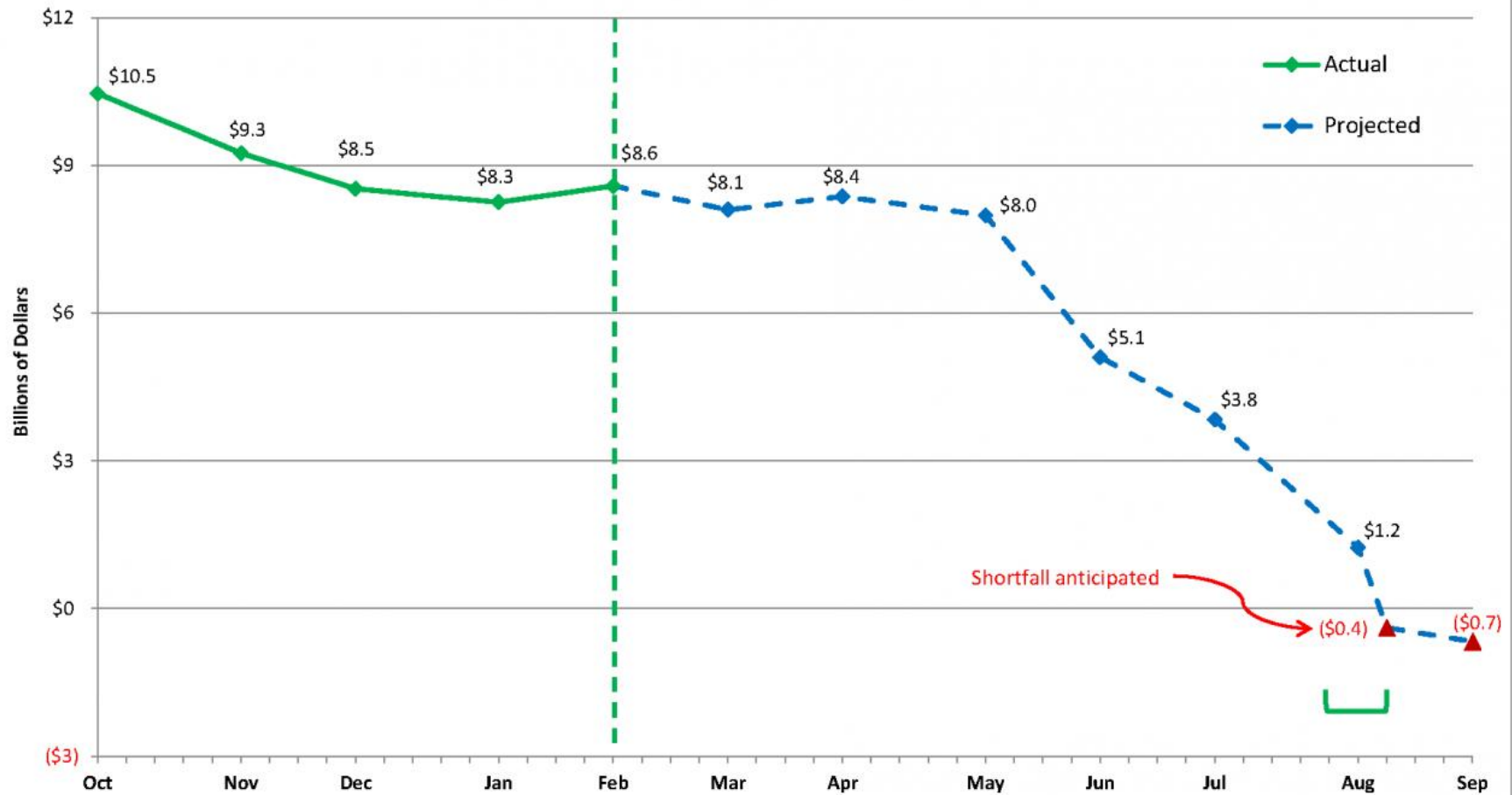
THE HTF IS PROJECTED
TO BE INSOLVENT BY
SEPTEMBER 2014

Source: US DOT



FY 2014 Projected Estimates for End-of-Month Cash Balances (as of 2/28/2014) ^{1/ 2/ 3/}

Highway Account of the Highway Trust Fund (Includes FHWA, FMCSA & NHTSA)



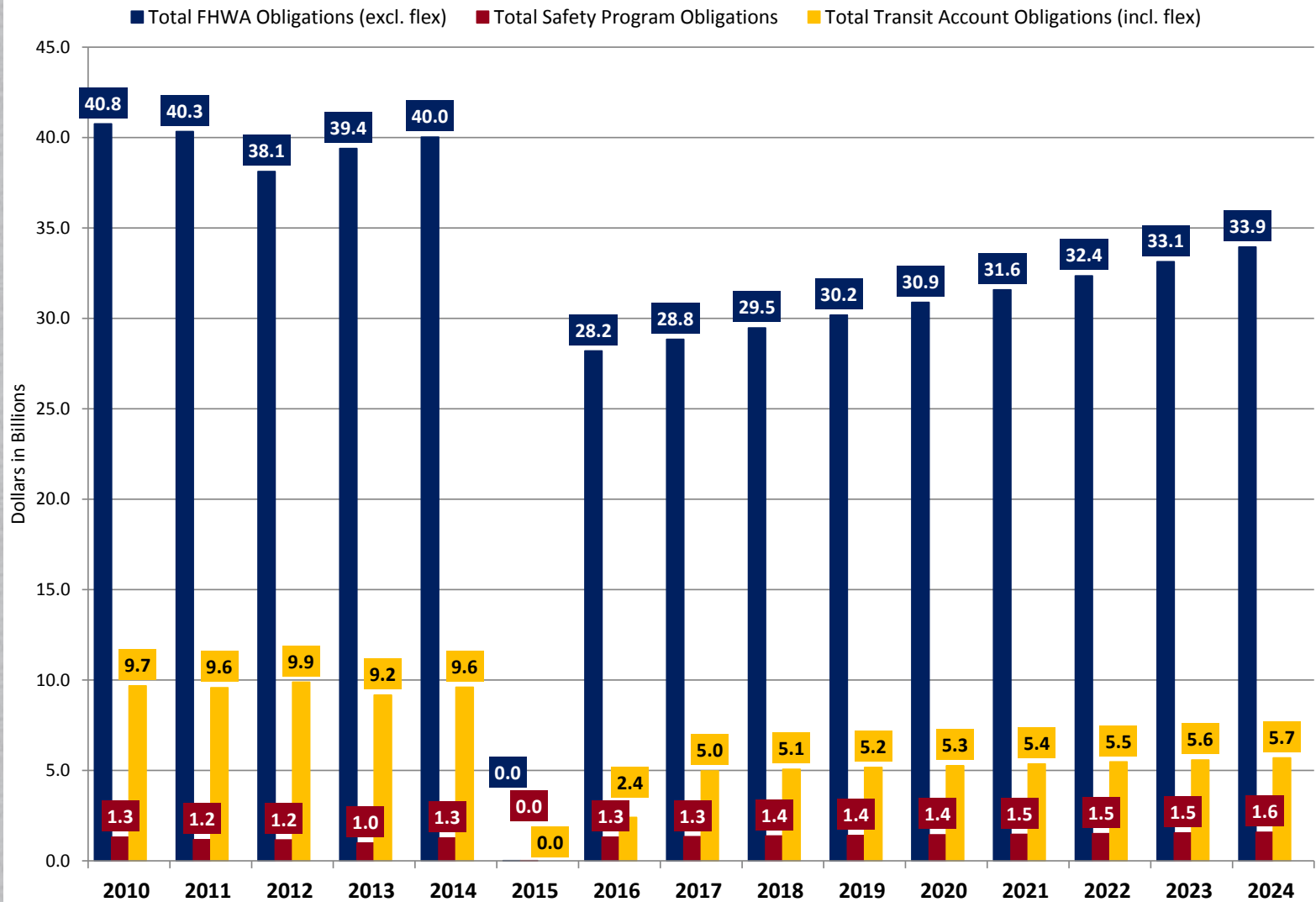
1/ Graph reflects actual data through 2/28/14 and end-of-month projections for the remainder of the fiscal year.

2/ Total receipt and outlay projections are based on FY 2015 President's Budget Baseline assumptions. Projected monthly receipt and outlay rates are based on historic averages.

3/ Range of anticipated shortfall: Green brackets denote the estimated window of when the anticipated shortfall will occur.

Source: FHWA

The cliff: Federal highway obligations fall nearly 100% in FY 2015 without new revenue





**TROUBLE FAST APPROACHING
FOR STATES**

AT LEAST

**6,000
PROJECTS**

MAY STOP IN THEIR TRACKS

Source: AASHTO Member Survey



660,000

US JOBS WILL BE IN JEOPARDY

Source: FHWA, FTA

That's more people than live in ...



ATLANTA

or



BOSTON

or



SEATTLE

Source: US Census

BECAUSE

WITHOUT FEDERAL INVESTMENT

states can't

BEAR THE BURDEN

STATE SHARE
WITH MAP-21

55%

STATE SHARE
WITHOUT MAP-21

100%

SHARE OF FUNDING FOR HIGHWAY AND TRANSIT PROJECTS

Source: Congressional Budget Office, AASHTO

DECISION *Point*

The Highway Trust Fund needs a long-term, sustainable source of funding to keep America on the right path.

Technically feasible revenue options

Matrix of Illustrative Surface Transportation Revenue Options

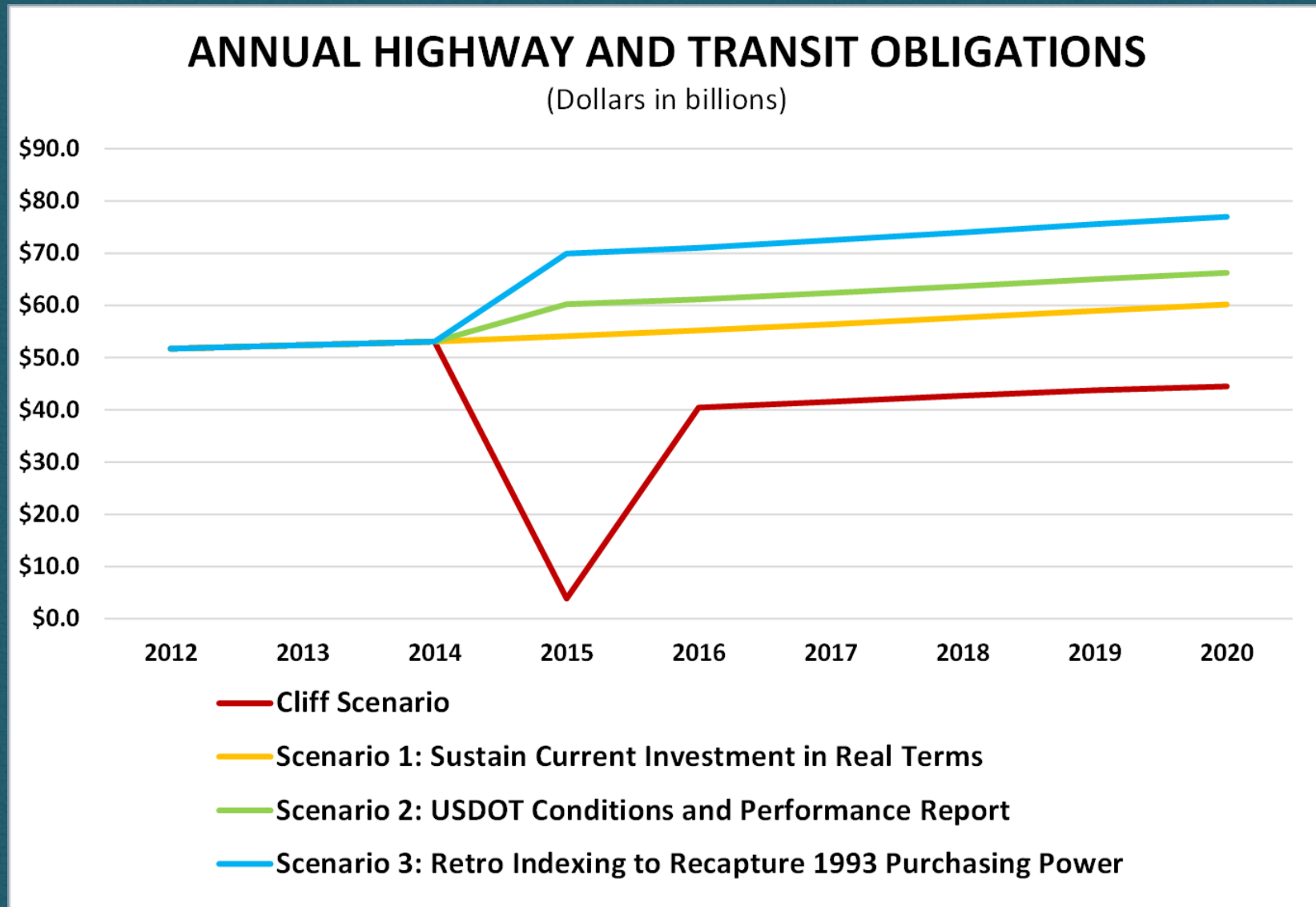
(all revenue estimates in \$ millions)

Funding Mechanisms	Mechanism Yield 2014	Illustrative Rate	Revenues 2014	Average Revenues 2015-2020	Total Revenues 2015-2020
Container Tax	\$1.00 per TEU = \$ 421	\$15.00	\$ 6,317	\$ 6,893	\$ 41,361
Customs Revenues (Partial Dedication)	1.0% of Receipts = \$ 357	1.0%	\$ 357	\$ 408	\$ 2,451
Drivers License Surcharge (Annual)	\$1.00 Surcharge = \$ 222	\$5.00	\$ 1,109	\$ 1,154	\$ 6,926
Excise Tax on Diesel (Increase)	1¢ per Gallon = \$ 399	15.0¢	\$ 5,983	\$ 6,480	\$ 38,877
Excise Tax on Diesel (Indexing)	n/a		\$ 440	\$ 1,031	\$ 6,183
Excise Tax on Gasoline (Increase)	1¢ per Gallon = \$ 1,282	10.0¢	\$ 12,823	\$ 13,367	\$ 80,202
Excise Tax on Gasoline (Indexing)	n/a		\$ 1,046	\$ 2,384	\$ 14,303
Freight Bill - All Modes	1.0% of Sales = \$ 8,318	1.0%	\$ 8,318	\$ 9,236	\$ 55,415
Freight Bill - Truck Only	1.0% of Sales = \$ 7,221	1.0%	\$ 7,221	\$ 8,018	\$ 48,110
Freight Charge - All Modes (Ton)	1¢ per Ton = \$ 180	25.0¢	\$ 4,492	\$ 4,988	\$ 29,929
Freight Charge - All Modes (Ton-Mile)	1¢ per Ton-mile = \$ 47,530	0.5¢	\$ 23,765	\$ 26,389	\$ 158,334
Freight Charge - Truck Only (Ton)	1¢ per Ton = \$ 124	25.0¢	\$ 3,098	\$ 3,440	\$ 20,641
Freight Charge - Truck Only (Ton-Mile)	1¢ per Ton-mile = \$ 13,911	0.5¢	\$ 6,956	\$ 7,724	\$ 46,342
Harbor Maintenance Tax (Increase)	0.1% Tax = \$ 1,331	0.5%	\$ 6,657	\$ 7,264	\$ 43,584
Heavy Vehicle Use Tax (Increase)	100% Increase = \$ 852	15.0%	\$ 128	\$ 163	\$ 977
Imported Oil Tax	\$1.00 per Barrel = \$ 3,528	\$1.00	\$ 3,528	\$ 3,528	\$ 21,171
Income Tax - Business (Partial Dedication)	0.1% of Current Taxes = \$ 440	1.0%	\$ 4,396	\$ 4,847	\$ 29,082
Income Tax - Personal (Partial Dedication)	0.1% of Current Taxes = \$ 1,508	1.0%	\$ 15,084	\$ 18,393	\$ 110,356
Oil, Gas, Minerals Lease - Rent, Bonus, and Other Income (Partial Dedication)	1.0% of GF Revenues = \$ 15	50.0%	\$ 750	\$ 750	\$ 4,500
Oil, Gas, Minerals Lease - Royalties (Partial Dedication)	1.0% of GF revenues = \$ 55	50.0%	\$ 2,750	\$ 2,750	\$ 16,500
Registration Fee on Light Duty Vehicles (Annual)	\$1.00 Fee = \$ 259	\$10.00	\$ 2,594	\$ 2,731	\$ 16,387
Registration Fee on Trucks (Annual)	\$1.00 Fee = \$ 9	\$15.00	\$ 131	\$ 133	\$ 797
Sales Tax on Auto-related Parts and Services	1.0% of Sales = \$ 2,567	1.0%	\$ 2,567	\$ 2,883	\$ 17,299
Sales Tax on Fuel - Diesel	1.0% of Sales = \$ 1,253	11.0%	\$ 13,782	\$ 15,839	\$ 95,033
Sales Tax on Fuel - Gasoline	1.0% of Sales = \$ 3,711	8.0%	\$ 29,686	\$ 31,126	\$ 186,753
Sales Tax on New and Used Light Duty Vehicles	1.0% of Sales = \$ 2,619	1.0%	\$ 2,619	\$ 2,619	\$ 15,715
Sales Tax on New Light Duty Vehicles	1.0% of Sales = \$ 1,625	1.0%	\$ 1,625	\$ 1,625	\$ 9,752
Sales Tax on Trucks and Trailers (Increase)	1.0% of Sales = \$ 268	5.0%	\$ 1,340	\$ 1,677	\$ 10,062
Tire Tax on Light Duty Vehicles	\$1.00 Fee = \$ 195	\$3.00	\$ 584	\$ 615	\$ 3,687
Tire Tax on Trucks (Increase)	100% Increase = \$ 434	10.0%	\$ 43	\$ 54	\$ 326
Vehicle Miles Traveled Fee on Light Duty Vehicles (All Miles)	1¢ per VMT = \$ 26,891	2.0¢	\$ 53,781	\$ 55,852	\$ 335,111

Illustratively, shoring up HTF would not present an unreasonable burden

- Average household pays \$46 in federal and state gas tax per month. This is less than per monthly cost of:
 - Electricity and gas: \$160
 - Cell phone: \$161
 - Cable and internet access: \$124
- For example, a 10-cent increase in the federal gas tax translates to \$1.15 more for the average driver per week—an action that would fix the Highway Trust Fund shortfall

Illustrative federal funding scenarios: 2015—2020



THIS INVESTMENT WILL:

- *GROW* OUR ECONOMY
- *CREATE* AND SUSTAIN JOBS
- *IMPROVE* OUR MOBILITY
AND QUALITY OF LIFE

SUPPORT THE HIGHWAY TRUST FUND.

And help move our nation forward.



WHAT'S AT STAKE FOR YOUR STATE?

LEARN MORE