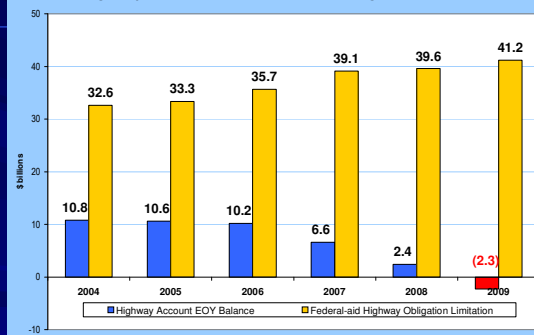


FUNDING AND FINANCING

IBTTA CONFERENCE

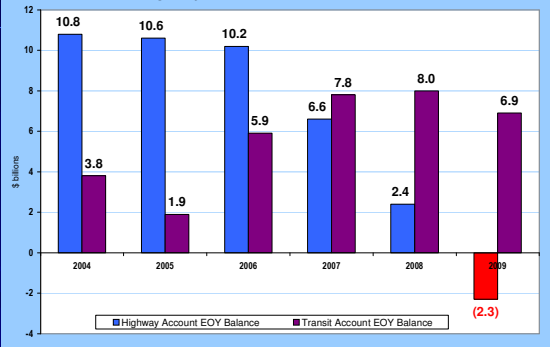
DECEMBER 5, 2006

Highway Account Balance vs. FAHP Obligation Limitation



2

Highway and Transit Account Balances



3

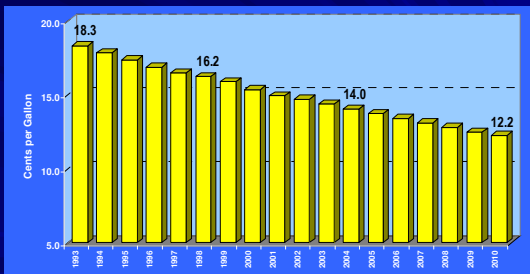
Funding Crisis Now!

- Action is required soon
- US Chamber Report recommendations
 - Indexing fuel taxes – Federal and State
 - Closing exemptions to the HTF
 - Crediting interest to the HTF
 - Dedicating Customs revenues
 - Innovative financing tools
 - Private participation

Source: National Chamber Foundation Future Highway and Public Transportation Finance Study

4

Gas Tax Purchasing Power Erosion



Courtesy of William R. Buechner
Vice President, Economics and Research
American Road & Transportation Builders Association

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Mid-Term Funding Potential

- Technology will provide for new methods of collection.
- Tolls will fill niches for funding.
- Innovative financing accelerates investment.
- Political will essential.

6

Long-Term Funding Issues

- Key question: how do we replace Trust Fund income as the gas tax declines as a revenue source?
- Other proposals are in the offing
 - Commission to study future of revenue sources to the Highway Trust Fund
 - State-by-state experiments underway
 - We need to recognize the need for change and embrace it