



Time for a New American Transportation Vision

By Pete Ruane

“A modern, efficient highway system is essential to meet the needs of our growing population, our expanding economy, and our national security.”

Those were the words of President Dwight Eisenhower in his 1955 State of the Union message to Congress, about 18 months before he would sign the law creating the U.S. Interstate Highway System. With the 50th anniversary of the interstate system upon us this June, one wonders what Eisenhower would think about the condition of America’s transportation network today.

Let’s address this issue by beginning with a discussion of the most recent piece of federal transportation legislation—the 2005 highway/transit investment act, known as the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

SAFETEA-LU

With the stroke of a pen in August of last year, President George W. Bush made SAFETEA-LU the law of the land. SAFETEA-LU embraces several significant policy actions that help lay the foundation for addressing the nation’s highway and transit needs. For example, the funding increases for state transportation programs made possible are largely the result of the forward-look-

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ing ethanol tax policy reforms initiated by Congress and signed by the president in 2004.

The previous highway/transit law, known as the Transportation Equity Act for the 21st Century, or TEA-21, allowed federal support for a number of innovative finance programs to supplement the core surface transportation program. These initiatives ranged from using tolls to finance highway improvements to providing credit assistance for public-private-venture transportation projects. SAFETEA-LU includes provisions that build on and expand current innovative federal financing programs through private activity bonds, the State Infrastructure Bank program, and the Transportation Infrastructure Finance and Innovation Act (TIFIA). SAFETEA-LU also includes several provisions that augment the ability of states to finance capacity enhancements to the interstate system using tolls. The organization I represent, the American Road & Transportation Builders Association (ARTBA), worked hard to ensure that each of these measures was included in SAFETEA-LU.

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In a nod to the future, SAFETEA-LU mandates the creation of two bipartisan commissions to identify the best ways to finance federal transportation investments after 2009, when the current bill expires. The importance of these and other efforts to bolster Highway Trust Fund (HTF) revenues cannot be overstated if the nation is to meet its transportation obligations.

ARTBA is already working to ensure full implementation of the new law, and those efforts will continue to be a major focus of the association in 2006. However, because SAFETEA-LU's passage was delayed by nearly two years, we must also be prepared to address long-term funding issues right away, as the next transportation bill is due in less than four years. The 50th anniversary of the Interstate Highway System provides such a forum.

Celebrating 50 Years

On June 29, 1956, while in the hospital recovering from an intestinal infection and operation, President Eisenhower signed the law authorizing construction of the Interstate Highway System and creating the HTF to pay

for it. When the ink dried on that legislation, it represented the single greatest domestic achievement of his presidency. It also was the realization of the 1901 vision for a “Capital Connecting Government Highway System” articulated by ARTBA founder Horatio Earle. I’m proud to say ARTBA’s members designed, built, and continue to manage the interstate system.

In 2006, as part of the interstate’s anniversary, ARTBA’s Transportation Development Foundation will be hosting a series of educational programs and events and developing research products designed to focus public attention on the critical role the interstates play in America’s economy, security, and quality of life.



The Foundation’s program of work will be capped with a gala dinner on June 29 at the Ronald Reagan Building in Washington, D.C., featuring General Colin L. Powell, USA (Ret.) and more than 500 industry professionals, members of Congress and their staff, and Bush administration officials. It’s an event we hope IBTTA members will consider attending. Invitations and sponsorship information can be accessed online at www.artbainterstate50.com.

The golden anniversary of the interstate system is more than just a celebration about the past, however. It provides an excellent opportunity to look forward and begin planning for the future.

Some Hard Realities

Federal Highway Administration (FHWA) data reveal that between 1998 and 2020, the value of domestic airfreight will increase 300 percent, highway freight will climb 204 percent, rail freight will jump 132 percent, and water freight will rise 145 percent. Meanwhile, increased demand on our nation’s infrastructure systems will continue to affect road and bridge conditions.

The FHWA estimates that nearly 161,500 miles of U.S. interstates, expressways, and major roads are in need of resurfacing or reconstruction. That number represents 17 percent of all roadway miles eligible for assistance under the Federal-Aid Highway Program. Further adding to the problem,

the number of structurally deficient or functionally obsolete bridges on the interstate system reached 80,560 in 2004, or 14 percent of all bridges in the country. Moreover, the Census Bureau predicts significant growth in the U.S. population, licensed drivers, and vehicle miles traveled during the next 50 years, which only further underscores these challenges.

The state of America's infrastructure is getting the attention of the business community's principal advocate in Washington, D.C., the U.S. Chamber of Commerce. In November 2005, the Chamber's National Chamber Foundation issued a study entitled "Future Highway and Public Transportation Finance," which assessed the nation's transportation needs and outlined possible financing mechanisms to boost federal investment. A review of the report makes several things clear.

First, the paper demonstrates that the current HTF revenue stream doesn't come close to providing the federal resources necessary to maintain current conditions or improve America's highway and transit systems, as has

also been documented in several federal government and private-sector reports. The annual resources needed are \$23 billion (to maintain the systems) and \$48 billion (to improve the systems) more than the expected annual federal HTF revenue of \$41 billion. Indeed, the Highway Trust Fund is facing a "cash crunch," with the Congressional Budget Office projecting that the Fund's balance will be as low as \$400 million by 2009. Some other groups have even estimated that the HTF could have a negative balance by that time.

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Second, the Chamber report reaffirms the important role of the federal government in transportation financing and policy development. It highlights the need for a permanent adjustment to the federal motor fuels excise as a user fee and other policy changes to help meet federal obligations for transportation investment over the next

10 years. The paper also makes clear that tolling and other innovative financing mechanisms can be part of the solution.

Third, the report will help jump-start a broad discussion about long-term financing of the nation's federal surface transportation programs.

Given these hard realities, the focus for policymakers—beginning with the scheduled 2009 reauthorization of SAFETEA-LU—should be a major rebuilding and modernization of existing infrastructure and the addition of significant capacity across all modes of transportation. The ARTBA SAFETEA-LU Reauthorization Task Force, established in 2005 and charged with developing the association’s “legislative blueprint” for the 2009 bill, will be working this year to develop policy and financing proposals to do just that.

The Future of Our Infrastructure

What might our future transportation infrastructure look like? As one idea, where appropriate, truck-only lanes should be considered for existing interstate highway rights-of-way. Additionally, new interstates, free-trade corridors, elevated roadways and trains and high-speed rail routes, and tunneling in some urban areas should be seriously explored as options. The expansion of existing and building of new ports, waterways, and airport runways should also be part of the mix. If the government and private sector work together as partners in these endeavors, the possibilities are limitless.

There can be no doubt about it: The costs of improving and modernizing America’s transportation systems will be significant and require a large boost in federal highway/transit investment. But the costs of doing nothing for future U.S. economic growth, traffic congestion, air pollution levels, and highway safety would be far greater.

President Eisenhower embraced a vision in 1956 when he created the Interstate Highway System. One of the best ways to honor and build upon his legacy is for the executive branch, Congress, and policymakers at all levels of government to begin developing a new transportation vision to meet the challenges of the next 50 years.

The future is now!

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