

Transportation Infrastructure

LIUNA members are ready to work to build America! Adequate investment in surface transportation could create eight million jobs over four years according to the American Association of State Highway and Transportation officials. Not just good construction jobs, jobs throughout the economy across all sectors.

Transportation Reauthorization Bill

In 2012, after several short-term extensions, Congress passed MAP-21, *Moving Ahead for Progress in the 21st Century Act*. It funded surface transportation programs at over \$105 billion for fiscal years 2013 and 2014. While the funding in MAP-21 was needed and long overdue, it was only a portion of the total funding needed to fix America's infrastructure, and it lacked the long-term investment in our transportation infrastructure that America needs. More than \$600 million will be granted this year under the competitive TIGER grant program. So far more than \$3.5 billion has been given to 270 projects across the country which has meant jobs for our members. MAP-21 expires at the end of September, and projections show that the highway account will run out of money as early as this August.

Congress must pass an extension of the Transportation Reauthorization Bill this year, and all funding options should be on the table. For too long now Congress has mended the Highway Trust Fund revenue shortfalls with general fund transfers. We need a long-term funding source to support federal transportation programs for decades to come. Congress has an opportunity this year to solve the growing funding crises in transportation. Failing to find long-term funding will prohibit the United States from investing in our future and from being able to establish a national transportation policy which is critical to states and communities across America.

Financing Options

No one source of revenue can possibly create enough resources for the needed investments into the United States' infrastructure. It is LIUNA's position that a variety of revenue options exist, and should be considered, as potential funding for this legislation. Any and all viable options should be used to fund robust transportation construction including increasing transportation fuel taxes, user fee increases, new bonding mechanisms, infrastructure banks, and public-private partnerships (PPPs).

LIUNA The Facts

- \$1 of every \$10 of the gross domestic product is tied to moving goods and people.
- 170,000 miles of US roads are in poor condition.
- 4 billion hours in delays a year because of traffic congestion.
- \$170 billion a year due to congestion.
- \$710 wasted on gasoline per motorist every year due to traffic congestion.
- 66,000 bridges have been deemed structurally deficient by the US Department of Labor.
- \$1 trillion dollars in business sales, \$324 billion in exports and \$1.2 trillion in personal disposable income lost because of chronic underinvestment.
- 1 million jobs will be lost annually by 2020 if the problem isn't addressed.

LIUNA!

Feel the Power

Most federal surface transportation programs are funded through the Highway Trust Fund, which was established in 1956. It is financed by the 18.4 cents per gallon of gasoline and 24.4 cents per gallon of diesel, which has not been raised since 1993. Improvements in vehicle fuel efficiency and reduced driving coupled with inflationary cost increases have substantially decreased the purchasing power of gas tax revenue deposited in the Highway Trust Fund each year.

LIUNA supports an increase in user based fees to help fund America's infrastructure. Last December, Congressman Earl Blumenauer (D-OR) introduced H.R. 3636—the UPDATE Act—that would raise the federal tax on gasoline and diesel by 15 cents over three years. Together with the U.S. Chamber of Commerce, AAA, and others, LIUNA supports H.R. 3636 and urges Members of Congress to cosponsor his bill.

There has also been discussion of implementing a Vehicle-Miles Traveled fee in order to raise revenue. H.R. 3636 would also set up a Road Usage Fee Pilot Program to study mileage-based fee systems. The legislation will ensure the

system protects privacy and is simple to administer. Some states have successfully tested a Vehicle-Miles Traveled fee. It is time to test this systematically across the country.

Public dollars should be leveraged by tapping the growing interest in public-private partnerships and other innovative financing arrangements. These proposals have the potential to not only drive critical projects forward but also improve the economy by supporting businesses and communities. However, it is important to note that these private investments are not a substitute for systemic public resources. Also, any legislation that expands the use of innovative financing must include the consistent application of Davis Bacon prevailing wage protections.

Recently, President Obama asked Congress for a \$302 billion, four year surface transportation bill. He has proposed ending some tax breaks in order to provide a one-time payment of \$150 billion for transportation. While we appreciate and support this effort, it is important for Members of Congress to find long-term solutions to financing our transportation needs.

LIUNA Supports

HR 2084 & S 1957 – This Bipartisan Legislation introduced by Representative John Delaney (DE-MD) and Senator Michael Bennett (D-CO) would establish the American Infrastructure Fund (AIF) to provide more than \$50 billion in bonds to create jobs and rebuild America's transportation, education, water, energy and communication infrastructure. The fund is capitalized by repatriating overseas earnings through a one-time sale of 50 year bonds.

HR 2553 – The National Infrastructure Development Bank Act of 2013, introduced by Representative Rosa DeLauro (D-CT) would establish an infrastructure bank which would leverage private sector dollars to invest in transportation, environmental, energy and telecommunications infrastructure projects.

S 1716: BRIDGE ACT – Senators Mark Warner (D-VA) and Roy Blunt (R-MO) have introduced a bi-partisan infrastructure financing bill that would establish a fiscally responsible Infrastructure Financing Authority (IFA) to complement our existing infrastructure funding through loans and loan guarantees. The authority would receive initial seed funding of up to \$10 billion, which could incentivize private sector investment and make possible up to \$300 billion in total project investment.

HR 3636 The UPDATE Act – Introduced by Representative Earl Blumenauer (D-OR) phases in a fifteen cent gas tax increase starting in 2014, indexes the gas tax to inflation, and then confirms Congress's intention to replace the gas tax with a more equitable, stable source of funding by 2024.