POLITICO

Long-term funding needs to hit the road, Jack

By: Janet Kavinoky - U.S. Chamber of Commerce
May 13, 2012 09:08 PM EDT

The two commissions created by Congress in the 2005 highway, transit and safety law reached a shared conclusion: The next transportation reauthorization bill needs to increase sources of revenue for the Highway Trust Fund and begin the transition to a sustainable and stable user-fee derived revenue source.

The U.S. Chamber of Commerce is leading the charge to modernize and expand the nation's transportation network because we believe that failing to properly invest in our infrastructure puts our potential for job growth and global competitiveness at risk. The longer we delay in addressing these issues, the more rapidly our transportation and infrastructure system deteriorates. Since 2007, the Chamber has been calling for a serious conversation on how to close the gap between infrastructure needs and available resources.

Ideally, the current House-Senate conference committee for the highway-transit bill would produce legislation to address both the immediate federal funding crisis and long-term challenges. Unfortunately, that appears unlikely to happen, as Congress would have to formulate a new approach to collecting user-based revenue before June 30, when the current extension of highway and transit law expires.

Although the latest effort to pass a highway, public transportation and safety bill is not going to solve the underlying transportation funding problem, it's still critical to get that legislation in place now.

Without a successful highway transit bill conference, we reach the end of the road in 2013 and will be unable to maintain transportation investment at current levels. In fact, if that were to occur, Congress would have to cut highway, transit and safety programs by nearly 60 percent, according to an analysis by the American Association of State Highway and Transportation Officials.

Quite simply, that outcome is unacceptable. Although some members of Congress and pundits proclaim it's time to "live within our means" when it comes to transportation funding, slashing investment by nearly two-thirds would immediately eliminate hundreds of thousands of jobs in construction and related industries and harm our fragile economy. Already, Titan America, a family-led concrete company in business since 1902, has cut its workforce by more than half because of inaction on a funding and reform bill.

In April, a Standard & Poor's article by credit analyst Jodi Hecht aptly titled, "U.S. Transportation Infrastructure Falls Into Disrepair While Washington Bickers Over Funding," noted that the United States is now ranked 24th in the world in quality of overall infrastructure, which has a significant effect on growth of the gross domestic product.

Draconian cuts to the budget are also dangerous and disruptive for transit systems in need of significant upgrade. A third of major roads in the United States are in poor or mediocre condition, and a quarter of bridges are structurally deficient or functionally obsolete. Nearly 25 percent of the track, tunnels and elevated structures of public transportation systems are in poor or marginal condition.

It has been suggested that federal transportation programs be eliminated and the responsibility left to the states. “Devolution,” as it’s called, is unworkable and ill-advised.

Governors, state legislators, mayors and city council members are not prepared to increase local revenues to take on this huge liability. States and metropolitan areas already are strapped for cash and using transportation trust funds to balance budgets.

Without federal funding and the policy and programmatic structures to support them, states cannot be expected to act on their own to ensure that interstate commerce, domestic and international trade, interstate passenger travel and emergency preparedness are adequately supported by the transportation infrastructure in their care.

And where will funds come from to seed the public transportation investments to address traffic congestion, mobility and productivity in the economic engines of the U.S. economy — our cities?

Some people wrongly argue that investment in transit is a less than serious, utopian enterprise. The Chamber strongly believes transit is a critical means of addressing congestion and is driving economic development in many areas around the country.

These red herrings, accepting major funding cuts or devolving federal programs to the states, are not real solutions. Congress and President Barack Obama must work toward passage of a bill out of conference before June 30. The nation cannot afford for them to fail in finding a way to sustain federal funds through 2013 or to address many of the inefficiencies of current federal law.

Then, before the ink on their agreement dries, we have to get back on the road to a serious conversation about long-term funding for transportation that modernizes American infrastructure and promotes economic stability.

Janet Kavinoky is executive director of transportation and infrastructure at the U.S. Chamber of Commerce.