

# **BREAKING THE LOGJAM: FINDING THE FUNDS FOR TOMORROW'S TRANSPORTATION SYSTEM**

Presented by

**Jim Tymon**

**Dir. of Management and Program Finance**

**American Association of State Highway  
and Transportation Officials (AASHTO)**

---

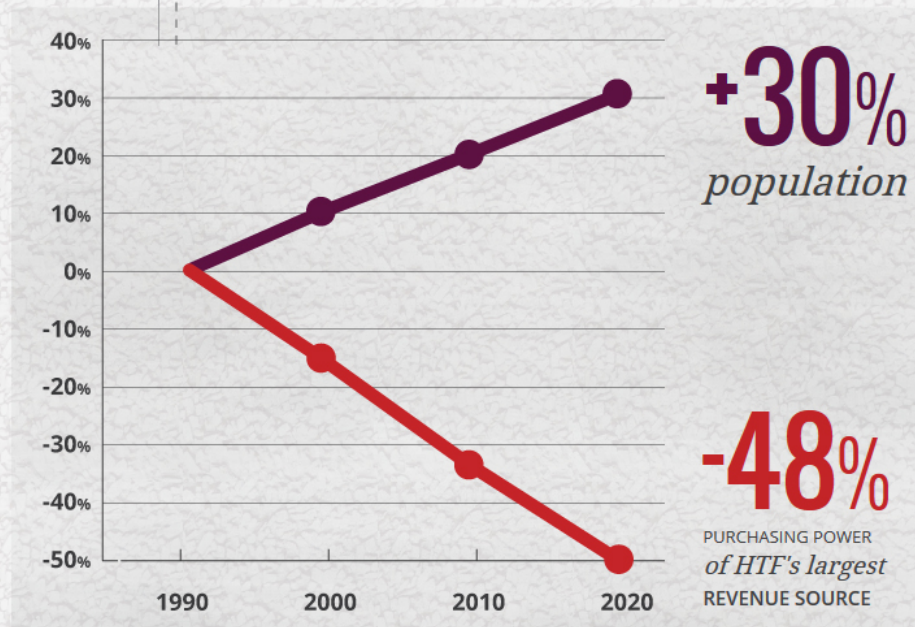
# NATION AT A *Crossroads*

---

**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

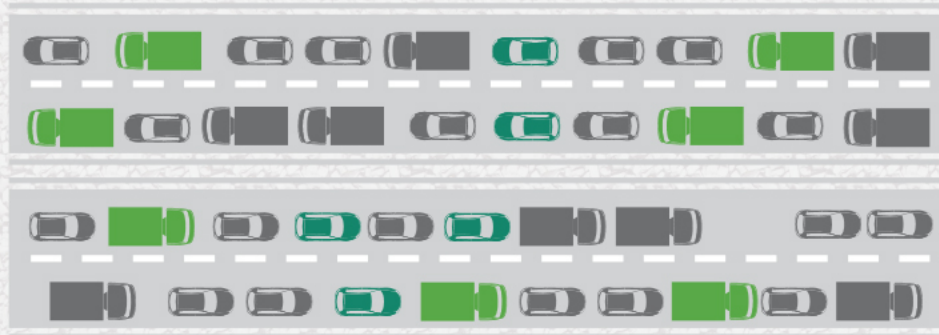


**45%**

**OF AMERICANS  
DON'T HAVE**  
*access to transit*

Source: ASCE

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



**64% INCREASE** Source: TRIP  
*in travel by large **commercial trucks***

---

---

ROAD CONDITIONS  
ARE A FACTOR IN



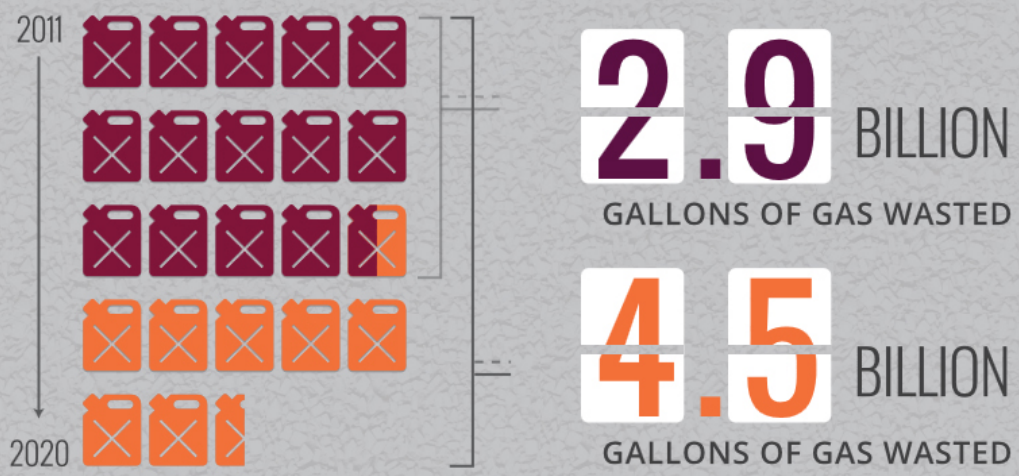
---

---

*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

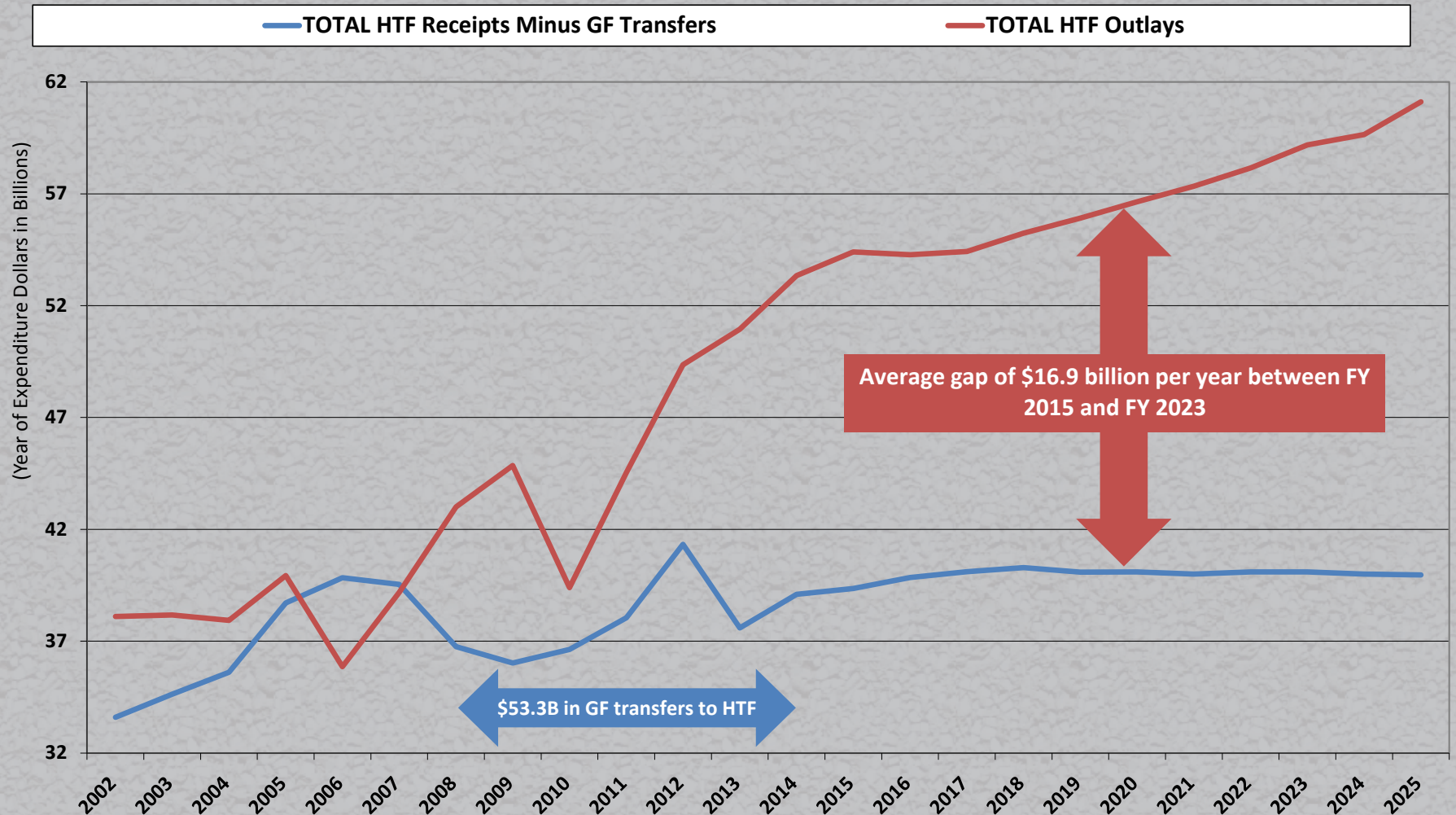
# CONGESTION *is costly*



# MAP 21

- In 2012 Congress passed the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP 21).
- Provided about \$51 billion a year for highway, transit, and highway safety programs through.
- MAP 21 expired on September 30<sup>th</sup> 2014

# Highway Trust Fund: Discrepancies in Cash Receipts and Outlays



# Highway and Transportation Funding Act of 2014

- Provides \$11 billion in funding for the Highway Trust Fund
- Keeps the Trust Fund solvent through the end of May 2015.
- Extends the Federal surface transportation programs through May 2015.



# 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



**TROUBLE FAST APPROACHING  
FOR STATES**

**AT LEAST**

**6,000  
PROJECTS**

**MAY STOP IN THEIR TRACKS**

Source: AASHTO Member Survey



What's Next?



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