

ITE Reauthorization Principles

Supports a predictable, dependable and adequate source of transportation funding for all modes that achieves a proper balance among capital, systems management, and operations & maintenance programs for transportation facilities.

Supports increases in current funding levels to address the backlog of existing needs and to help meet future challenges, and to enable the Highway Trust Fund to meet obligations.



ITE Reauthorization White Paper Funding and Workforce

The Need for a Long-Term Funding Source

The Fixing America's

Surface Transportation (FAST) Act that was enacted in 2015 authorized \$305 billion for transportation programs from 2016 through 2020. The FAST Act programs expire on September 30, 2020.

These programs included funding for federal highway, highway safety, transit, and passenger rail programs. However, the FAST Act did not address the need for a long-term funding source. Since 2008 the Highway Trust Fund has required the infusion of \$140 billion to cover a shortage in the fund. It's estimated that the fund's average cash flow shortage will have grown from \$14 billion per year when the FAST Act was enacted in 2016 to almost \$18 billion per year beginning in October 2020.

Reauthorization of the FAST Act will require increases in funding levels to address existing needs, to help meet future challenges, and to enable the Highway Trust Fund to meet its obligations. Long-term, sustainable funding is necessary to meet the growing national needs for economic competitiveness, connectivity, safety, and security.

Highway Trust Fund

The primary source of revenue for transportation is the Highway Trust Fund, which was established in 1956 to finance the United States Interstate Highway System and certain other roads. The Mass Transit Fund was created in 1982. The 1956 Act directed that federal fuel revenues be used exclusively for highway construction and maintenance. The Highway Trust Fund currently receives money from a federal fuel tax of 18.4 cents per gallon of gasoline and 24.4 cents per gallon of diesel fuel, plus other related excise taxes.

The federal tax was last raised in 1993. It is not indexed to

ITE Reauthorization Principles

Supports mechanisms that will better diversify national transportation revenue generation.

Supports increases of funding flowing down to the local level in recognition of the population growth in metropolitan areas and the complex transportation issues being addressed there.

Supports requiring that transportation funding investments be performance based and focused on benefits delivered from documented outcomes of before and after data that accounts for economic, environmental and social costs.

inflation, which increased by a total of 73 percent from 1993 through 2018. State and local taxes add 34.24 cents to gasoline and 35.89 cents to diesel, for a total U.S. volume-weighted average fuel tax of 52.84 cents per gallon for gas and 60.28 cents per gallon for diesel.¹

In addition to increasing the fuel taxes, new transportation revenue options should be considered to supplement or replace deteriorating federal revenue streams. As investment needs grow, Highway Trust Fund revenues derived from fuel taxes will continue to decline, due mainly to increased vehicle fuel efficiency (24.9 mpg a record high in 2017) and alternative-fuel vehicles.

Several potential funding sources other than federal fuel taxes have been identified, including tolling, congestion pricing, mileage-based user fees, public-private partnerships, bonds, infrastructure banks, carbon-based taxes, and federal vehicle registration fees.

The Need for Increased Funding – Demographic Changes

If current trends continue, the population of the United States will rise to 438 million in 2050, from our current population of 330 million. The population was 296 million in 2005. In addition to growing passenger travel, freight movement is expected to double over the next 20 years.

The reauthorization should include increased funding for metropolitan areas in 2020. Currently, 41 urban areas in the United States house more than one million people. This is up from 12 areas in 1950. This number is projected to grow to 53 by 2030. More urban areas are faced with the challenges of replacing aging infrastructure, managing increased congestion, and pursuing social, economic, equity, and environmental goals.

Funding Support for All Users

Reauthorization should provide funding to support transportation for all users. This includes funding for urban areas to manage their transportation assets and to develop the infrastructure for complete streets and other improvements that provide safe travel for transit, automobiles, pedestrians,

¹ State Motor Fuel Taxes: Notes Summary, American Petroleum Institute, April 1, 2019
infrastructure banks, carbon-based taxes, federal vehicle registration fees and use of general fund resources.

ITE Reauthorization Principles

A 20-year strategic funding plan that addresses impacts of automated vehicles and changes in vehicle fuel economies should be considered.

Supports a federal program to help fill the skills gap in the transportation workforce to enable the nation to pursue *new* priorities needed to address a changing transportation landscape.

The program should include provisions for enhancing diversity and inclusion in the transportation workforce.

bicycles and other forms of micromobility.

Increased funding is needed to support public transportation, which is essential to achieving personal mobility.

Our aging population demands that we provide safe, efficient mobility options. Today there are more than 46 million adults aged 65 and older living in the U.S. By 2050 that number is expected to grow to almost 80 million. Reauthorization should provide funding to support research and policies and changes that will ensure the safety and mobility of all users.

Increased funding will be necessary to address inevitable changes in transportation. It should support transformational technologies and innovations and changes in transportation that are occurring rapidly. The potential for connected and automated vehicles (CAV) technology to increase safety, reduce traffic congestion, save fuel, improve air quality, save lives, enhance mobility and serve as the platform of a next generation of transportation management systems is vast.

Other transformational technologies include electric vehicles, artificial intelligence, smart communities, equity, health and climate change impacts. The concept of mobility as a service and mobility on demand is evolving and being embraced.

Funding for Workforce Development

Another key element in need of funding is workforce development. It is a challenge -- first to get students interested in science, technology, engineering, and math (STEM) and secondly to have them pursue careers in planning, designing, constructing, operating, and maintaining our infrastructure that is so critical to our way of life, our health and wellbeing and our economy. The effective use of technology has always been a very important way of addressing key issues facing our country. Attracting and retaining new talent to advance new technology and bring fresh ideas to the discussion is so critical particularly as we move into the transformational use of AI, CAV and micro mobility in addressing our transportation needs.