Going the Distance
TEA-21 and Beyond
Going The Distance

• Where we stand today.
• Our issues.
• Obstacles.
• Where do we go from here.
Where We Stand Today...

Current Reauthorization will expire in 20 months, but our work has already begun!

Oct 2003 TEA-21 expires.

1998 TEA-21 authorized.

We are here.
Where We Stand Today...

Highway Funding

In billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY1998</td>
<td>$21.5</td>
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<tr>
<td>FY1999</td>
<td>$25.5</td>
</tr>
<tr>
<td>FY2000</td>
<td>$27.7</td>
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<tr>
<td>FY2001</td>
<td>$29.8</td>
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<tr>
<td>FY2002</td>
<td>$31.8</td>
</tr>
<tr>
<td>FY2003</td>
<td>$23.3</td>
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</tbody>
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TEA-21 Authorized Amount

$23.3
What Does an $8.6 Billion Cut Mean...

• 360,000 American jobs lost, mostly in 2003 and 2004.

• State DOT’s already canceling highway and bridge projects.

• Public denied safety, air quality and national security benefits of highway investment.
Why Should the Full $8.6 Billion Be Restored...

• Highway Trust Fund has a balance of $19 billion.
• Prevent loss of $360,000 American jobs.
• Economic recovery and job creation top administration priority.
• Roads essential for homeland security.
• Cut would artificially lower baseline for reauthorization.
• H.R. 3694, S. 1917.
Future Highway Funding Baseline

Highway funding baseline if:

- **2002 used.** ~38b
- **TEA-21 used.** ~34b
- **2003 proposed budget used.** ~28b

**TEA-21 Authorized Amount**

- FY1998: $21.5b
- FY1999: $25.5b
- FY2000: $26.2b
- FY2001: $26.8b
- FY2002: $27.3b
- FY2003: $27.7b
- FY2004: $24.4b
- FY2005: ~23.3b
- FY2006: ~31.8b
- FY2007: ~29.8b
- FY2008: ~27.7b
Where We Stand Today...

2002

- U.S. DOT drafting administration bill.
  - Submit to office of management and budget for revisions and approval around August.

- Major committees hold oversight hearings.

- Mid-term elections in November.
Where We Stand Today...

2003

- January: new congress sworn in.
- February: president’s FY 2004 budget.
  • Will contain TEA-21 reauthorization principles.
  • Legislative bill to soon follow.
- Spring: bills introduced and committees conduct legislative hearings.
- Summer: committees report bills and floor action in both houses of Congress.
- September: single bill approved by Congress and sent to President.
Our Issues...

• Grow the federal-aid highway program.
  – Protect budget firewall.
    • Guarantees funding for highways.
    • Under constant attack in congress.
  – Preserve RABA.
    • Has resulted in $9 billion in additional revenues in last three years.
  – Increase revenue to the Highway Trust Fund.
Our Issues...

- Increase revenues to highway trust fund.
  - Spend down highway trust fund balance. ($19 billion).
  - Capture revenue lost in ethanol tax break.
    - Transfer 2.5¢ = $400 million.
      - S. 1306 (Baucus).
      - H.R. 2808 (Portman/Pomeroy).
    - Rebate HTF for 5.4¢ = $700 million.
    - Banning MTBE to cause huge surge in ethanol use.
    - Ethanol incentive no longer needed.
Our Issues...

• Increase revenues to highway trust fund.
  – Increase federal gasoline user fee.
    • 1 penny = about $2 billion annually.
    • Index at rate of inflation (2.6% = $3.8 billion).
    • Not going to be easy but it’s the right thing to do.

• Establish HMA research program.
  – FHWA managed with Industry and AASHTO input and oversight.
  – $25 million a year.
Our Issues...

Investment required by all levels of government.
Our Issues...

Increased Demand on Highways
1970-1999

- Population: 34%
- Licensed Drivers: 68%
- Registered Vehicles: 94%
- Vehicle Miles Traveled: 143%
- Added Road Mileage: 6%

Lack of new capacity has created gridlock!
Obstacles...

- Budget deficits.
- Other funding priorities.
  - Homeland security.
- Budget/appropriations committees.
- New Congress.
- No Bud Shuster.
- New players/staff on committees.
- “Smart” growth.
- Freight railroads, Amtrak and others.
- Need to reauthorize AIR-21.
Where Do We Go From Here...

- Administration is key.

- Need to educate congress, press and public on highway needs.
  - NAPA white paper!
  - Transportation Construction Industry Fly-In!

- Use the Americans for Transportation Mobility (ATM) Coalition to get message out.
  - U.S. Chamber of Commerce led coalition with labor and industry groups.

- Effective use of the Transportation Construction Coalition.
  - Identify and help champions in Congress.