



# View from “The Hill”

The Obama Admin. & 111<sup>th</sup> Congress

For the  
AEMA/ARRA/ISSA Annual Meeting

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# About The Hwy Users



- Founded in 1932, The Highway Users is a pro-highway advocacy organization that uses lobbying, media relations, and grassroots organization as primary tactics to create a positive environment for highways in public policy.
- Our members include about 300 AAA clubs, businesses and trade associations whose bottom-lines depend on America's continued mobility.
- AEMA, ARRA, & ISSA are all members of The Highway Users.
- We bring together a dozen diverse industries through our coalition and enjoy a seat at the "kitchen cabinet" when Congress develops highway-related legislation

# A Quick Review of 2008

- \$8.017B Highway Trust Fund Restoration
- McCain/Clinton gas tax holiday proposal fails during oil price spike.
- Senate Cap-And-Trade fails again.
- 2008 highway funding levels extended through March 2009 (no appropriations).
- Economy Flounders: House tries to get ball rolling with a vote for \$12.8B in highway funding for Economic Recovery.

# 2009 To-Date



- President Obama has advocated infrastructure investments as critical to our nation's economic recovery. Congress has responded with legislation.
- Congress passes \$27.5 billion for roads + \$1.5 billion for major surface transportation projects including roads.
  - Half of Projects to be “obligated” in 120 days
  - States prevented from cutting funds after enactment and using stimulus funds as a substitute.
  - Passenger & freight rail, port projects may also be funded with the highway money.
  - 30% of funds “sub-allocated” by states to local governments.

# Impacts of Economic Stimulus on Your Bottom Line

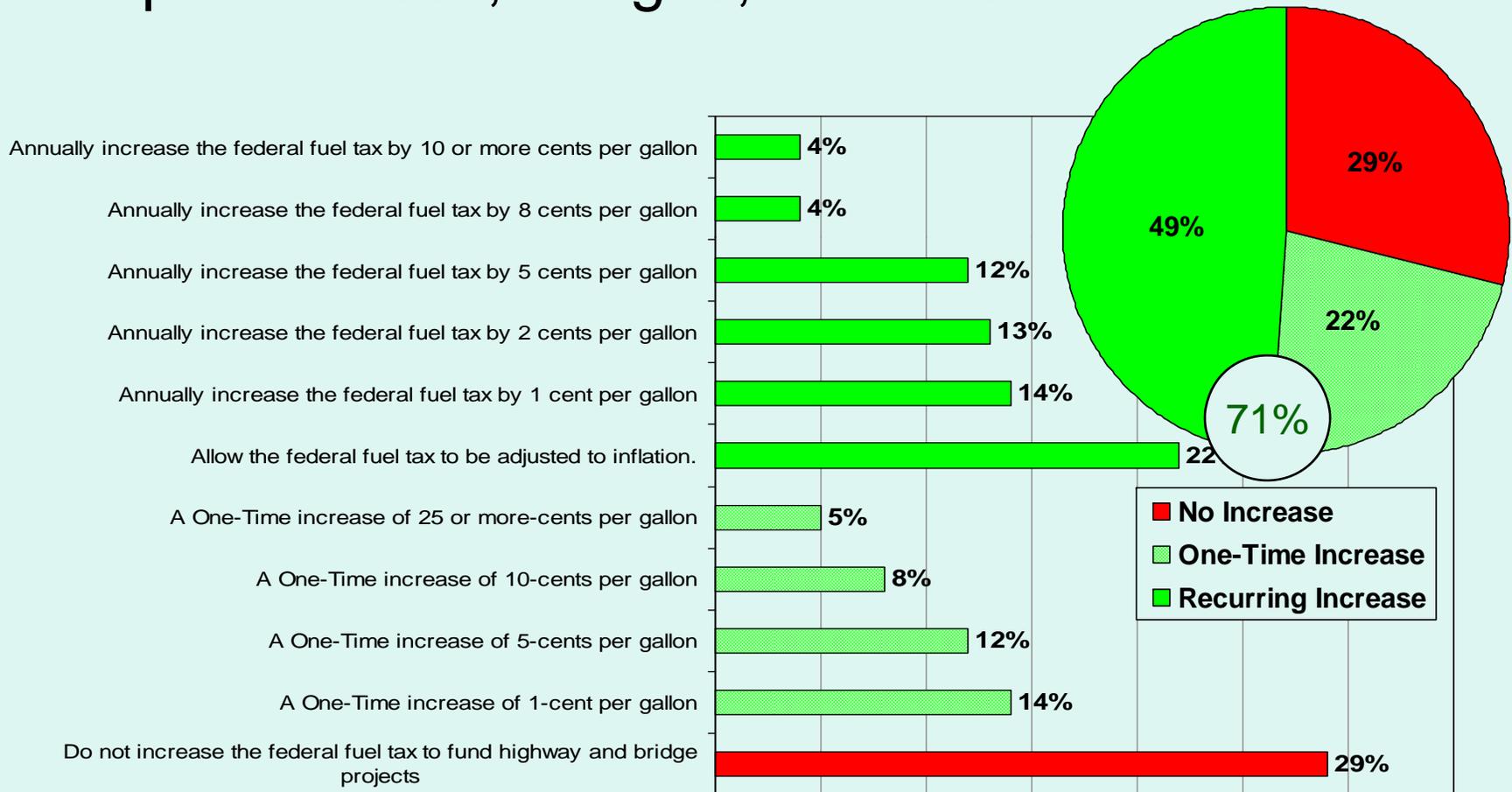
- Quick obligation requirement could benefit low-cost, fast spending, resurfacing projects.
- Mandatory set-asides for local governments provide opportunities for those with good local business relationships
- New projects that do not require NEPA documents have an advantage.
- By meeting with State and local governments, you can help your business.

# Continued Public Support for Roads is Critical

- Prior to economic stimulus bill:
  - 94% of Americans are concerned about the condition of our nation's infrastructure
  - “Roads and bridges” rank #2 in top things the public supports
  - 84% support spending more;
  - 81% are willing to pay 1% more in taxes for it
  - Strong majorities among both Dems & Repubs.



# Hwy Users Survey: Support For Fuel Tax Increase Grows From 57% to 71% after messages about safety, congestion, competitiveness, bridges, and trust fund status



# But roads made up less than 4% of the stimulus bill's cost

## Potential Problems

- Many people believe roads were a major piece of the stimulus.
- If stimulus doesn't work, people may believe that roads aren't a good investment for the economy
- If public support falters, it could doom any newly-felt optimism about highway spending in the long-term. (Changes the politics)

# Longer-term concerns

- Highway Trust Fund cannot be sustained beyond summer 2009.
- Many in Congress are unaware of the long-term problems and think the problem was “fixed” with the \$8 billion in September
- A number of challenges (time, money, staff burden, policy changes, competing interests) threaten 2009 authorization bill.



# The 2009 Authorization Bill

- Broad consensus has been developed to get past SAFETEA-LU policies with broad reforms, federal priorities, and restraint.
- Congress needs to stay true to this or risk alienating the public further and creating more long-term damage to the program.
- With a substantial increase in revenue, the program need not fall-down once economic stimulus money is spent.
- Anti-highway groups planning to attack highway portion of the bill. Grow “green” programs at the expense roads.

# Hwy Users Priorities

- Bridges and Pavement Quality Improvements, particularly on the NHS
- Congestion Relief on the NHS
- Safety improvements on all public roads
- Highway freight corridors
- Streamlining bureaucracy
- Sustainable long-term federal funding

# Some Detail on Hwy Users Proposal for Pavement Quality



- Pavement Management System
  - FHWA defined minimum performance standard for NHS pavements
  - Implements PMS system
  - Benchmarking existing NHS pavements
  - Submit annual report to FHWA, who develops a national pavement inventory
  - Inventory used to set minimum standards
  - States cannot transfer out of NHS until it meets minimum standards
- Visit [www.highways.org](http://www.highways.org) for more details

# Other Moving Parts

## Environmental Issues

- Will EPA staff support Obama's pro-highway positions or undermine them?
- How will the Clean Air Act be used to regulate greenhouse gases?
- Who will have more leverage with President: DOT or EPA?
- Cap-And-Trade legislation
  - Dingell Out, Waxman In; Boxer remains leading Senate force --  
What does that mean for:
    - Mandatory VMT-reduction proposals?
    - EPA exercising new duplicative authority over State and Metro Plans?
    - AEMA/ARRA/ISSA opportunities for "green" hwy projects to compete with transit for funding
- Streamlining project reviews
  - Will the new DOT support current efforts to streamline reviews?
  - Will the Bush Executive Order on streamlining priority projects be kept in place?

# Other Moving Parts

## Funding and Financing Issues

- Highway Users Fee Increases: Leadership needed. Support depends on avoiding new diversions
- Competing bonding proposals vs. traditional user “pay-as-you-go” user fees.
  - Will this help or muddle reauthorization?
- National Capital Infrastructure Bank
  - Obama-endorsed plan for large project financing – funding source unclear
- PPPs, tolling, & congestion pricing
  - How will these policies change after Sec. Peters?
  - Sec. LaHood says tolling should be limited to “new capacity”
- “Multi-modalism” strategies: The devil’s in the details

# Other Moving Parts

## Appropriations

- No 2009 Highway Appropriation Bill.
- 2008 funding continued through early March 2009.
- Will the appropriators do an “omnibus FY09 bill” with full hwy funding?
  
- If SAFETEA-LU expires without a new authorization and a shortage of trust fund revenue, what do the appropriators do about FY10 funds?
  
- Could there be a big drop in FY10 funds? If so, would it be “across-the-board” or targeted cuts?

# Figures to Help You “Sell” The 2009 Authorization Bill

- Freight to Double by 2035
- 7 trillion miles of travel by 2055 (currently 300 million)
- 88% of growth in South & West
- 80% of growth in metro areas  
(but 50% outside cities in suburbs)
- Trade will account for 35% of GDP  
by 2020 (up from 13% in 1990)



# Additional talking points

- Highway investments yield up to \$6 in benefits for every \$1 in cost
- Every \$1 billion invested saves or adds 35,000 jobs.
- CHINA just announced a \$586 billion economic stimulus plan for highways, railroads, and airports. Will we compete?
- My business is on the line.

# Your Action Is Critical to Your Livelihood

**TODAY: Please call 202-224-3121, ask your Congressmen to start working immediately on the highway bill. The highway bill must be authorized by September 30<sup>th</sup> or the federal highway program may be cut in HALF.**

There is some real optimism about addressing highway problems BUT

- Getting the money is extremely difficult
  - Holding the public's attention and support is difficult
  - Congress could EASILY mess things up.
  - There are LOTS of moving parts
- 
- Politics requires YOUR personal involvement and actions from YOU, YOUR FRIENDS, YOUR EMPLOYEES, & YOUR RELATIVES

- Are you ready to work with us to help yourself and the public good?



# THANK YOU

You can make a difference!

For more information:

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[www.highways.org](http://www.highways.org)

