



Committee on Transportation and Infrastructure  
U.S. House of Representatives  
Washington DC 20515

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October 6, 2017

**SUMMARY OF SUBJECT MATTER**

**TO:** Members, Subcommittee on Highways and Transit  
**FROM:** Staff, Subcommittee on Highways and Transit  
**RE:** Subcommittee Hearing on “Building a 21<sup>st</sup> Century Infrastructure for America: Highways and Transit Stakeholders’ Perspectives”

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**PURPOSE**

The Subcommittee on Highways and Transit will meet on Wednesday, October 11, 2017, at 10:00 a.m. in 2167 Rayburn House Office Building to receive testimony related to “Building a 21<sup>st</sup> Century Infrastructure for America: Highways and Transit Stakeholders’ Perspectives”. The purpose of this hearing is to receive the views of highways and transit stakeholders regarding infrastructure in the 21<sup>st</sup> Century. The Subcommittee will hear testimony from representatives of American Association of State Highway and Transportation Officials, the Transportation Construction Coalition, North America’s Building Trades Unions, National Association of Manufacturers, and Sound Transit.

**BACKGROUND**

**The Importance of Transportation Infrastructure**

Transportation infrastructure provides a strong physical platform that facilitates economic growth, ensures global competitiveness, creates American jobs, and supports national security. It affords Americans a good quality of life by enabling them travel to and from work, to conduct business, and to visit family and friends.

Our Nation’s transportation infrastructure is the backbone of the U.S. economy. In 2015, all modes of transportation moved an estimated 18.1 billion tons of goods worth about \$19.2 trillion (in 2012 dollars) on our Nation’s transportation network. On a daily basis, 49 million tons of goods valued at more than \$53 billion are shipped throughout the country on all

transportation modes.<sup>1</sup> In addition, nearly 13 million Americans, approximately nine percent of the U.S. workforce, are directly employed by transportation related industries.<sup>2</sup>

The surface transportation components of this broader system play an integral part in the movement of people and goods. Specifically, highways carried more than three trillion vehicle miles (including cars, trucks, motorcycles, and buses) and public transportation carried over 32.6 billion passenger miles in 2014.<sup>3</sup> Of the total freight moved on our Nation's transportation network, trucks moved more than 11.5 billion tons, valued at over \$13.2 trillion.<sup>4</sup>

Congestion is a growing challenge across the United States, affecting both freight shippers and commuters. According to the Texas A&M Transportation Institute's 2015 Urban Mobility Report, the national cost of congestion was \$160 billion. This amounts to approximately \$438 million per day. Congestion also wasted 3.1 billion gallons of gasoline and congestion also resulted in an extra 6.9 billion hours of travel time. In 2014, the average commuter spent an extra 42 hours stuck in traffic.<sup>5</sup>

### **Recent Surface Transportation Reauthorizations**

On July 6, 2012, the *Moving Ahead for Progress in the 21<sup>st</sup> Century Act* (MAP-21) (P.L. 112-141) was enacted and reauthorized federal surface transportation programs through September 30, 2014. While great progress was made in making significant programmatic and policy reforms to federal surface transportation programs, the reauthorization was limited to two years in length.

After five MAP-21 extensions, the *Fixing America's Surface Transportation Act* (FAST Act) (P.L. 114-94) was enacted on December 4, 2015, and is the first long-term surface transportation reauthorization bill in a decade. The FAST Act reauthorizes federal surface transportation programs through fiscal year 2020. The FAST Act improves our Nation's infrastructure, reforms federal surface transportation programs, refocuses those programs on addressing national priorities, and encourages innovation to make the surface transportation system safer and more efficient. The FAST Act provides non-federal partners – state departments of transportation, public transportation agencies, and local entities, among others – with the needed certainty to make significant investments in the Nation's surface transportation system.

While the U.S. Department of Transportation (DOT) continues implementing the measurable reforms made in MAP-21 and the FAST Act, there is additional work that needs to be done in order to meet challenging transportation needs of the future.

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<sup>1</sup> U.S. Department of Transportation, Bureau of Transportation Statistics, DOT releases 30-Year Freight Projections, March 3, 2016.

<sup>2</sup> U.S. Department of Transportation, Bureau of Transportation Statistics, Transportation Statistics Annual Report 2016.

<sup>3</sup> U.S. Department of Transportation, Bureau of Transportation Statistics, *2017 Pocket Guide to Transportation*; Bureau of Transportation Statistics, *Table 2-1*.

<sup>4</sup> *Id.*

<sup>5</sup> Texas A&M Transportation Institute, *2015 Urban Mobility Scorecard*, August 2015.

## **Highway Trust Fund**

The federal surface transportation programs are user-fee funded through federal excise taxes levied on motor fuels and on various highway-related products, such as tires and heavy trucks. The revenue from all of the excise taxes is deposited into the Highway Trust Fund (HTF). In general, the federal excise taxes on motor fuels generate the majority of the revenue for the HTF. These taxes have not been adjusted since 1993. According to projections by the Congressional Budget Office (CBO), revenues in the HTF will not be able to meet its obligations beyond fiscal year 2020.<sup>6</sup> CBO estimates that the current 10-year shortfall is \$138 billion more than expected HTF revenues.<sup>7</sup> An additional five billion dollars is necessary to ensure that there is a prudent balance in the HTF, which will bring the total shortfall to \$143 billion. If this shortfall is not addressed, DOT may need to take steps, such as rationing reimbursements to states, in order to maintain a prudent balance in the HTF. If states are unable to rely on reimbursements, then critical surface transportation projects may be delayed.

## **Future Needs for Transportation Infrastructure**

Over the next 30 years, our Nation's transportation infrastructure will need to keep pace with anticipated increases in population and demand for freight transportation. Forecasts predict that America's population will grow from 319 million in 2014 to approximately 400 million in 2051.<sup>8</sup> The movement of freight is expected to increase by 40 percent over the next 30 years.<sup>9</sup> U.S. trade volume is expected to double by the year 2021, and double again by the year 2030.<sup>10</sup> In terms of highway usage, vehicle miles traveled are projected to increase by nearly 20 percent by 2035.<sup>11</sup>

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<sup>6</sup> Congressional Budget Office, *Spending on Infrastructure and Investment*, 2017.

<sup>7</sup> Congressional Budget Office, *Projections of Highway Trust Fund Accounts – CBO's June 2017 Baseline*, 2017.

<sup>8</sup> U.S. Census Bureau, *Projections of the Size and Composition of the U.S. Population: 2014 to 2060*, 2015.

<sup>9</sup> U.S. Department of Transportation, Bureau of Transportation Statistics, *DOT Releases 30-Year Freight Projections*, 2016.

<sup>10</sup> Federal Highway Administration, *FHWA Forecasts of Vehicle Miles Traveled (VMT): Spring 2016*, 2016.

<sup>11</sup> *Id.*

**WITNESS LIST**

Mr. Patrick McKenna  
Director  
Missouri Department of Transportation  
On behalf of the American Association of State Highway and Transportation Officials

Mr. James Roberts  
President and CEO  
Granite Construction  
On behalf of the Transportation Construction Coalition

Mr. Brent Booker  
Secretary-Treasurer  
North America's Building Trades Unions

Mr. Ray McCarty  
President and Chief Executive Officer  
Associated Industries of Missouri  
On behalf of the National Association of Manufacturers

Mr. Peter Rogoff  
Chief Executive Officer  
Sound Transit