

**Economic Recovery**

Transportation infrastructure investment should be a core component of an economic stimulus program to get America back on the move. Such investments—if additive to, and not a substitute for state and local funds—can quickly create American jobs in the short-term in the construction, materials and equipment sectors. Unlike some other, transitory, stimulus initiatives, transportation investments also create tangible assets that will continue to provide public benefits and facilitate American economic activities over the long term. According to state and local governments, there are \$27 billion in highway, bridge, public transportation, and airport infrastructure projects that are “ready-to-go” if resources are made available. Quick start projects include road, bridge deck and airport runway milling and resurfacing, bridge inspections, scraping and painting, curbing and gutter repair, intersection improvements and safety investments in lighting, signage and appurtenances.

Surface Transportation Program Authorization

An infusion of resources into “ready-to-go” transportation projects as part of economic recovery package must be soon followed by a multi-year reauthorization of the federal surface transportation programs, which expire September 30, 2009. These “core” highway and transit programs are needed to ensure the long-term productivity enhancing improvements that are necessary for sustained economic growth, further reductions in transportation emissions and controlling health care costs through improved traffic safety.

The revenue stream supporting the Highway Trust Fund is not adequate to even maintain current program funding levels, much less make the investments necessary to meet growing public and business demand. Absent remedial action before September 30—perhaps as part of an economic stimulus package—a dramatic cut in federal surface transportation programs could occur in FY 2010. It is unrealistic to expect America’s growing transportation needs to be met relying on a static funding mechanism—the motor fuels excise—last updated 15 years ago.

Generating new revenues, however, is only one part of the solution. The current federal surface transportation programs lack clear missions and accountability. To rectify this, the next authorization should: (1) establish a system of performance standards with tangible enforcements; (2) protect and enhance existing transportation assets; (3) create a multi-modal congestion relief strategy to reduce greenhouse gas emissions and improve the quality of life for all Americans; and (4) launch a new federal program dedicated exclusively to strategically facilitating the safe movement of goods on critical commerce corridors to help U.S. businesses compete in the global marketplace.

Aviation Program Reauthorization

The authorization for the federal aviation programs expired September 30, 2007. These programs have since been operating under a series of short-term extensions. Like the surface transportation network, the U.S. civil aviation system suffers from a lack of resources, outdated operational procedures and equipment. Enactment of a multi-year aviation program bill should be an early goal for 2009. Both the House and Senate have already developed proposals ready to move. It is critical that the final measure not only upgrade air traffic technology, but also make needed investments in airport infrastructure to help accommodate dramatic growth projected for U.S. passenger and freight air travel.

Deliver FY 2009 Investment Promises

Final investment decisions for fiscal year (FY) 2009 are still on hold for the U.S. Department of Transportation. While many have treated this matter as an after thought, the delay is adding further uncertainty to an already difficult transportation construction market. As a result of restoring \$8 billion to the Highway Trust Fund’s Highway Account, the fund has ample resources to fulfill the FY 2009 SAFETEA-LU investment commitments of \$41.2 billion for the highway program and \$10.3 billion for public transportation. We urge the Obama Administration to support enactment of a transportation funding bill as soon as possible and reject any attempt to reduce these promised investment levels.