



AASHTO'S POLICY AND FUNDING RECOMMENDATIONS FOR Infrastructure Package and Surface Transportation Reauthorization

May 2021



THE INFRASTRUCTURE INVESTMENT IMPERATIVE

- Investment benefits of transportation go well beyond the construction jobs created.
- A well-performing transportation network delivers a multi-decade return on investment by providing:
 - Access to opportunities for everyone including employment, education, health services, and recreation
 - Improved quality of life through safer and cleaner mobility options
 - Economic benefits for consumers with lower priced goods and for businesses with a more efficient supply chain



COVID RELIEF VS INFRASTRUCTURE PACKAGE

- \$10B Covid relief in December 2020 stabilized state DOTs' fiscal baseline and prevented further cuts in projects and jobs
- Covid relief also helped to preserve the core capabilities of state DOTs to implement a robust surface reauthorization
- However, Covid relief is a revenue backstop, not a fiscal stimulus through an infrastructure package
- A fiscal stimulus through an infrastructure package induces additional investment above the baseline in order to spur growth in jobs and economic activities



INFRASTRUCTURE PACKAGE

- Funding should be provided through existing highway and transit formulas and existing rail grant programs to:
 - Provide economic recovery funding in the quickest, most efficient manner
 - Provide funding to rural and urban areas of every state and every public transportation agency
- Obligation timelines should be avoided in order to support programs and projects that generate the most benefits through the entire lifecycle of the asset including:
 - Routine improvements that can provide immediate economic stimulus
 - Major improvements that can substantially transform the network
- Funding should be provided at 100 percent federal share in order to recognize the ongoing revenue losses of state DOTs



SURFACE REAUTHORIZATION

AASHTO's Core Policy Principles

1. Timely reauthorization of a long-term bill
2. Enact a long-term, sustainable revenue solution to the Highway Trust Fund
3. Increase and prioritize formula-based funding to the states
4. Increase flexibility, reduce program burdens, and improve project delivery
5. Support and ensure state DOTs ability to harness innovation and technology



SURFACE REAUTHORIZATION

Ongoing and Emerging Emphasis Areas

- Performance and asset management to optimize lifecycle-based investment decision-making for all assets - including bridges - by building upon the MAP-21 performance measures
- Infrastructure resiliency and emergency relief that utilizes an all-hazards approach to enable flexible solutions for construction, reconstruction, restoration, rehabilitation, and preservation
- Carbon reduction including electric vehicle charging infrastructure that expands low-carbon travel options and focuses on reduction of tailpipe emissions



SURFACE REAUTHORIZATION

Ongoing and Emerging Emphasis Areas

- Broadband and technology deployment in the highway right-of-way that enables highest and best use of a critical transportation resource owned and operated by state DOTs
- Advancing racial justice and incorporating equity, diversity, and inclusion in all aspects of transportation including investment priorities, policy development, and project and program delivery by more effectively engaging disadvantaged communities



FUNDING RECOMMENDATION

The Goal

- In the next 10 years, address the \$756 billion highway and bridge investment backlog identified in the *USDOT Conditions and Performance Report—23rd Edition*, composed of:
 - System rehabilitation for highways and bridges
 - System and capacity enhancements
- According to TRB's *Renewing the National Commitment to the Interstate Highway System: A Foundation for the Future* report, \$57 billion is needed every year for 20 years (or \$1.1 trillion total) just for the Interstate Highway System
- In the next 10 years, meet commensurate transit and passenger rail investment needs



FUNDING RECOMMENDATION

The Solution

- As part of infrastructure package, authorize **\$200 billion** in highway and bridge stimulus or “down payment” in 2022 at 100% federal share, to be obligated through 2026
- As part of surface transportation reauthorization for highways, provide for the Federal-aid Highway Program
 - Reauthorization Period 1, 2022 to 2026: **\$487 billion total**
 - Reauthorization Period 2, 2027 to 2031: **\$846 billion total**

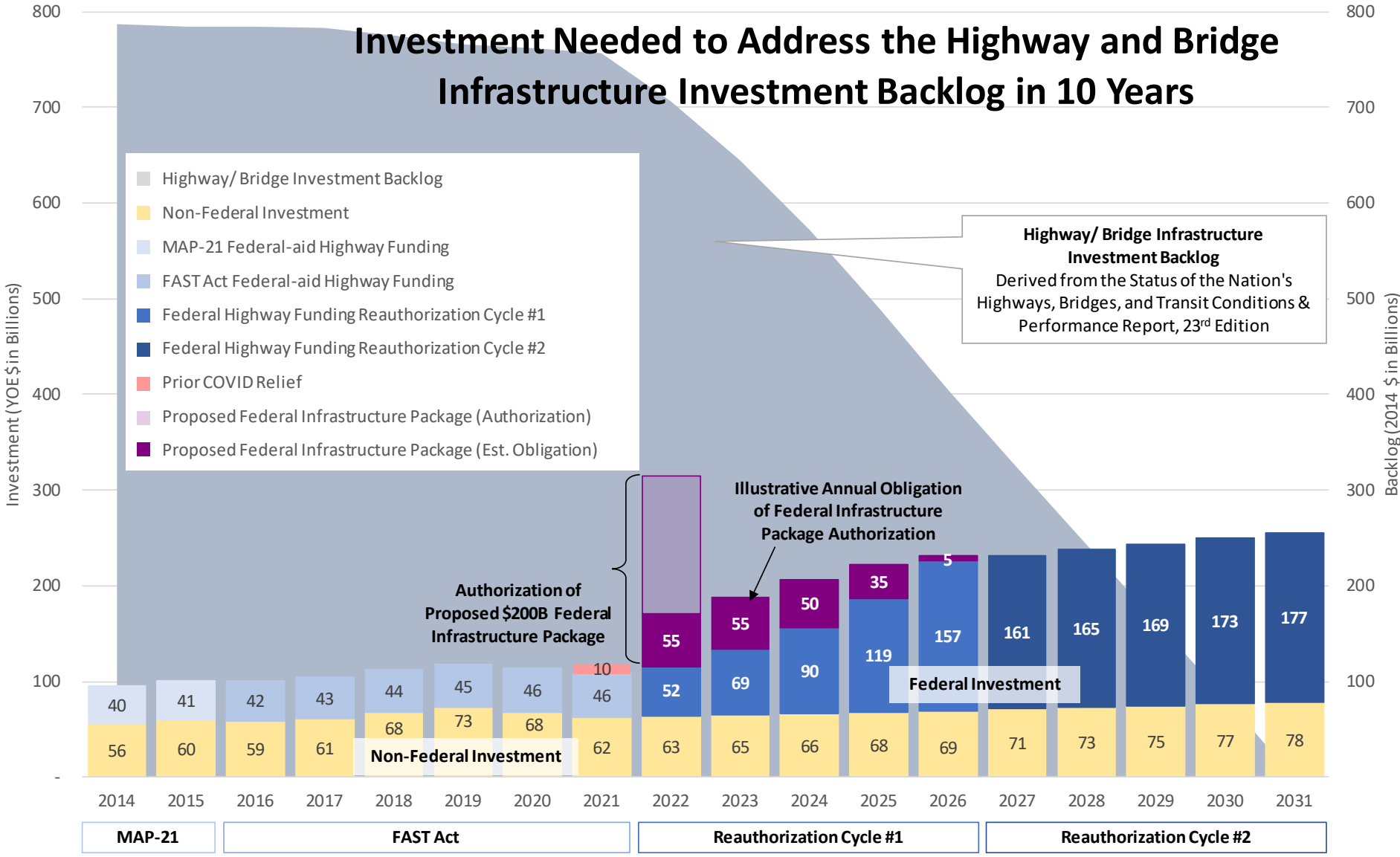
Infrastructure Package: Annual Highway and Bridge Obligations (\$ billions)

2022	2023	2024	2025	2026	TOTAL
\$55	\$55	\$50	\$35	\$5	\$200

Surface Reauthorization, 2022 to 2026: Annual Highway and Bridge Obligations (\$ billions)

2022	2023	2024	2025	2026	TOTAL
\$52	\$69	\$90	\$119	\$157	\$487

Investment Needed to Address the Highway and Bridge Infrastructure Investment Backlog in 10 Years



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