

Policy Resolution PR-5-19
Title: AASHTO Reauthorization Policy Theme 2:
Ensure Robust Long-term, Sustainable Funding Solution

Whereas, Highway Trust Fund (HTF) revenues derived primarily from federal motor fuel taxes have been the core source of funding to support federal investments in surface transportation since 1956;

Whereas, The purchasing power of the HTF has been reduced by over fifty percent since 1993 mainly due to flat, per-gallon motor fuel excise taxes that have not been adjusted for 26 years;

Whereas, Since 2008, the HTF has been sustained through a series of General Fund transfers now totaling \$140 billion;

Whereas, According to the Congressional Budget Office, in order to simply maintain current HTF spending levels adjusted for inflation after the Fixing America's Surface Transportation (FAST) Act, Congress will need to identify approximately \$100 billion in additional revenues to support a six-year bill through 2026;

Whereas, Despite substantial funding challenges facing transportation, the investment backlog for transportation infrastructure continues to increase, reaching \$836 billion for highways and bridges and \$90 billion for transit according to the US Department of Transportation;

Whereas, The lack of stable, predictable funding from the HTF makes it nearly impossible for state DOTs to plan large projects that need a reliable flow of funding over multiple years;

Whereas, Because states count on prompt payment from the federal government to be able to manage cash flow and pay contractors for work they have already completed, disruptions and delays in HTF reimbursements jeopardize the ability of states to pay contractors in a timely manner;

Whereas, Because contractors rely on prompt payment from the state to be able to pay their employees and suppliers, disruptions to federal funding have the potential to send unwelcome shockwaves throughout the transportation community and other industries indirectly supported by infrastructure investment—including countless number of small businesses that perform work on our nation's highways, as they often don't have the flexibility to wait for additional days or weeks for payment on the work they have already completed on a project; and

Whereas, Surface transportation reauthorization must ensure robust, long-term, and sustainable funding to meet national needs for economic competitiveness, connectivity, safety, and security; now, therefore, be it

Resolved, That a permanent solution for the HTF shortfall must be the foundation of surface transportation reauthorization in order to prevent significant planning and construction disruptions to highway and transit projects, to provide stable cash reimbursements to states for costs already incurred, and to ensure and enhance the national benefits of the federal surface transportation program including jobs, economic competitiveness, safety, personal mobility, efficient movement of goods, and improved quality of life;

Resolved, That any potential HTF revenue solution must include these core factors: derived from system use and the need for connectivity, dedicated to highway and public transit transportation improvements, and sufficient to support permanent growth in federal transportation investment;

Resolved, That it is time for policy makers to advance tangible solutions to the HTF's structural revenue deficit and that potential mechanisms such as motor fuel tax increase and indexation, per-barrel oil fee, freight user charges, or a mileage-based user fee, while not all inclusive, would provide a foundation to preserve and strengthen the federal role in supporting a national surface transportation network;

Resolved, That Congress is urged to increase federal surface transportation funding significantly above the current FAST Act funding levels to address transportation infrastructure needs and to sustain national and regional connectivity (Issue FF-1);

Resolved, That Congress must provide sustainable, certain, long-term funding to the HTF to support multiyear legislation and continue to fund the development and implementation of revenue alternatives to motor fuel taxes (Issue FF-2);

Resolved, That rescissions of highway contract authority greatly impede the flexibility of state DOT programs' federal dollars and Congress is urged to avoid using rescissions of highway contract authority as budgetary offsets (Issue FF-4);

Resolved, That proportional to highways, federal funding for public transportation and rail transportation should be strengthened and expanded through increases in formula-based program funding from the Mass Transit Account in the HTF plus commensurate increases for General Fund transit programs, all of which support both rural and urban areas to enhance regional and national economic competitiveness and community vitality (Issue PT-1); and

Resolved, That Congress should retain the current multi-tiered federal transportation research structure by maintaining the State Planning and Research program set-aside at two percent of core highway programs—of which 25 percent is dedicated to research, development, and technology transfer activities—and by maintaining the current level of effort for federal Research, Technology, and Education (RT&E) programs accounting for inflation (Issue RI-1).