



AMERICAN COUNCIL OF ENGINEERING COMPANIES

Sustainable Transportation Investment

ISSUE

In December 2015, Congress passed and the President signed into law the *Fixing America's Surface Transportation (FAST) Act*, providing five years of increased funding to support highway and transit projects, while including new reforms to enhance program efficiency. **ACEC strongly supported this landmark legislation, and urges Congress to remain focused on adopting long-term, sustainable funding mechanisms to support the nation's transportation needs.**

BACKGROUND

Infrastructure is the backbone of the United States economy. A modern and efficient transportation system is critical for protecting public health and safety, promoting commerce, and providing mobility. It enables manufacturers to get their products to market, farmers to get their goods to stores, and workers to get to jobs.

Passage of the FAST Act, a 5-year, \$305 billion reauthorization of highway, transit, and rail programs, was among the most significant legislative accomplishments of the 114th Congress. States and local governments are moving forward with long-stalled projects with the certainty of multi-year federal commitments. The FAST Act also contained numerous program reforms that, if implemented successfully, will reduce regulatory burdens, promote innovation, and foster private sector participation in project delivery.

The new law recognizes the valuable role engineering firms play in working with state and local transportation agencies to deliver transportation projects efficiently and effectively. Section 1443 of the FAST Act urges the Secretary of Transportation to encourage State DOTs to partner with engineering firms "to strengthen project performance, improve domestic competitiveness, and create jobs." Transportation agencies rely on the specialized skills and technical expertise that firms provide to solve complex design challenges in creative ways. They also use local firms to meet tight project deadlines and manage project risks. The FAST Act reinforces the value of those partnerships and encourages greater utilization.

The passage of the FAST Act with broad, bipartisan majorities in both the House (359-65) and Senate (83-16) demonstrates a strong commitment to federal investment in the nation's infrastructure. The remaining challenge is to reach consensus on options for strengthening the long-term fiscal stability of the Highway Trust Fund, which was not addressed in the legislation. The annual gap between Highway Trust Fund revenues and annual expenditures is projected to grow to \$20 billion by 2021.

Alternative fuel vehicles, more efficient cars and trucks, and changing driving patterns will continue to erode a revenue structure that has not been updated in decades. In the meantime, transportation system conditions and performance continue to deteriorate. Discussions and engagement between policymakers, stakeholders, and the public on how to tackle this growing challenge cannot wait until the FAST Act expires.

KEY POINTS

- Transportation infrastructure forms the basis of economic growth. Every dollar invested in highway and transit development increases the nation's GDP between \$1.80-\$2.00. A 5% annual increase would create an additional \$9.6 billion in real GDP for the U.S. economy and add 78,000-122,000 new jobs.
- Congestion costs families \$160 billion per year in wasted fuel and lost productivity, and American businesses pay \$27 billion in extra freight costs, raising the price of household goods.
- Congress still needs to focus on a long-term, sustainable solution for the Highway Trust Fund. More than \$140 billion has been transferred into the HTF since 2008 because of the failure to address systemic funding shortfalls with real revenue solutions.
- Funding is not keeping pace with system needs. According to AASHTO, annual investment from all levels of government needs to increase from \$88 billion to \$120 billion for roads and bridges and from \$17 billion to \$43 billion in the nation's public transit systems in order to improve conditions and meet the nation's mobility needs.