



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

April 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**

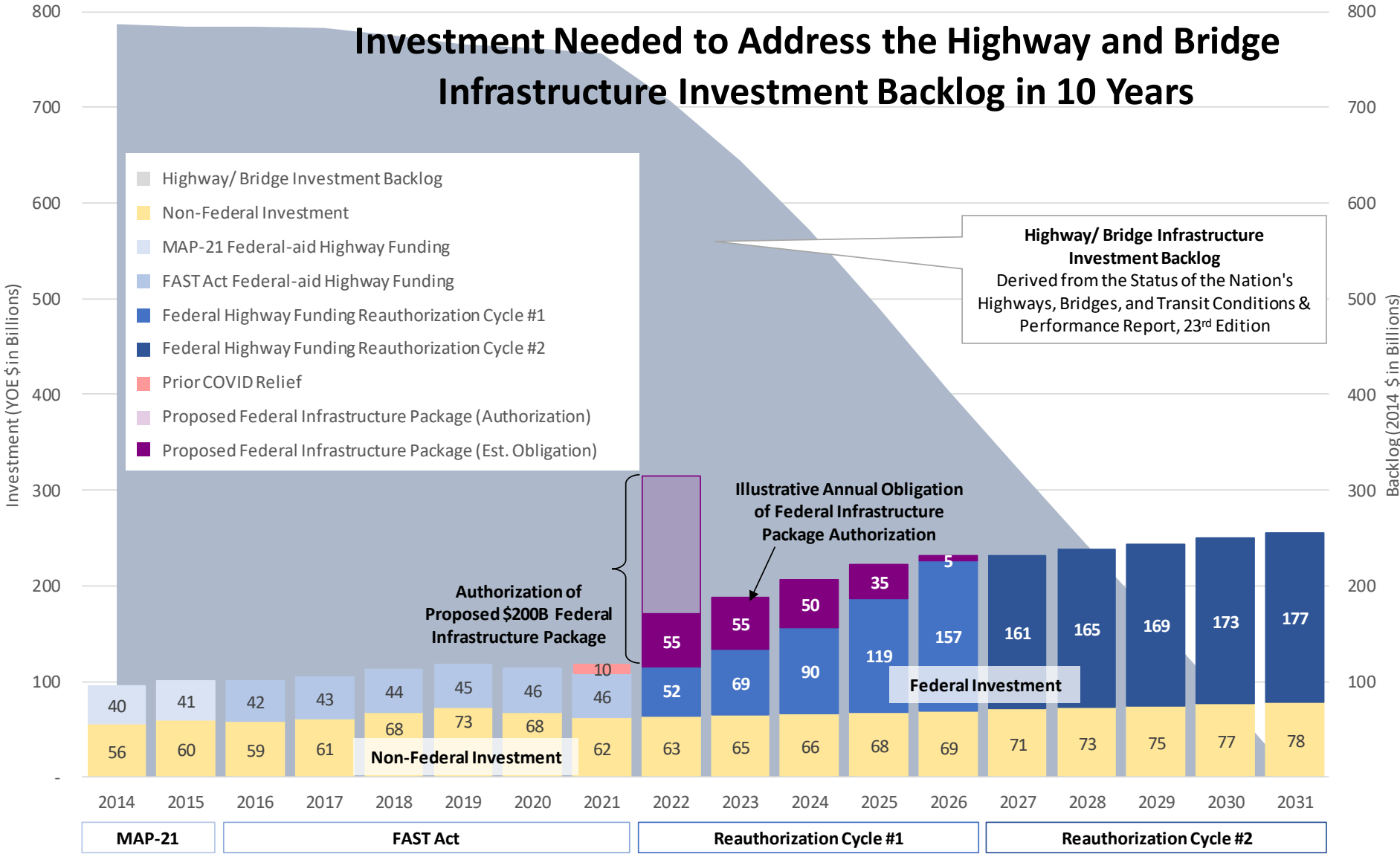
### Infrastructure Package: Annual Highway and Bridge Obligations (\$ billions)

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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