



View from “The Hill”

The Obama Admin. & 111th Congress

For the
Flexible Pavements of Ohio
47th Annual Meeting

By Greg Cohen, P.E., President
American Highway Users Alliance

March 31, 2009

About The Hwy Users



- Founded in 1932, The Highway Users is a pro-highway advocacy organization that uses lobbying, media relations, and grassroots organization as primary tactics to create a positive environment for highways in public policy.
- Our members include about 300 AAA clubs, businesses and trade associations whose bottom-lines depend on America's continued mobility.
- Many asphalt suppliers & contractors, NAPA, the Asphalt Institute are active members of The Highway Users. Flexible Pavements of Ohio is a grassroots member – critical to our success!
- We bring together a dozen diverse industries through our coalition and enjoy a seat at the “kitchen cabinet” when Congress develops highway-related legislation

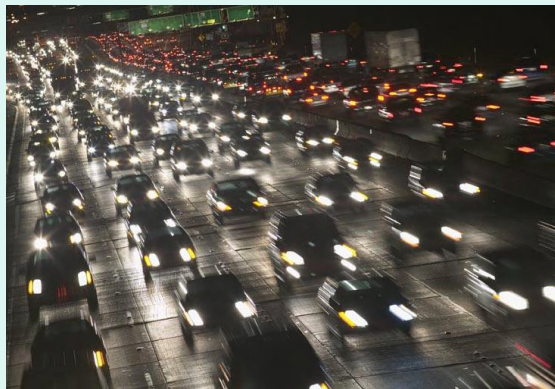
2009 To-Date



- President Obama has advocated infrastructure investments as critical to our nation's economic recovery. Congress has responded with legislation.
- Congress passes \$27.5 billion for roads + \$1.5 billion for major surface transportation projects including roads.
 - Half of Projects to be “obligated” in 120 days
 - States prevented from cutting funds after enactment and using stimulus funds as a substitute.
 - Passenger & freight rail, port projects may also be funded with the highway money.
 - 30% of funds “sub-allocated” for local & metropolitan needs.
- FY09 Appropriations passes with full SAFETEA-LU guaranteed funding (\$40.7 B) and lots of earmarks.

Impacts of Economic Stimulus on Your Bottom Line

- Quick obligation requirement benefit low-cost, fast spending, resurfacing projects.
- Mandatory set-asides for local needs provide opportunities for those that supply local road networks
- New projects that do not require NEPA documents have an advantage.



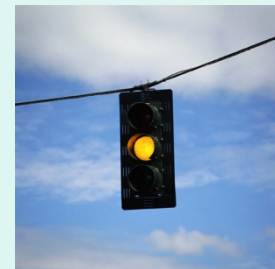
Roads made up less about 3.5% of the stimulus bill's cost

Potential Problems

- Many people believe roads were a major piece of the stimulus.
- If stimulus doesn't work, people may believe that roads aren't a good investment for the economy
- If public support falters, it could doom any newly-felt optimism about highway spending in the long-term. (Changes the politics)

Longer-term concerns

- Highway Trust Fund cannot be sustained beyond summer 2009.
- Many in Congress are unaware of the long-term problems and think the problem was “fixed” with the \$8 billion in September
- A number of challenges (time, money, staff burden, policy changes, competing interests) threaten 2009 authorization bill.



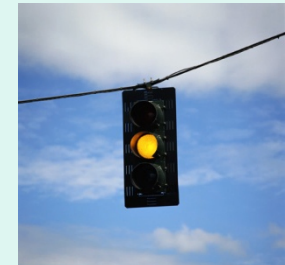
American Support for Federal Infrastructure Investment

- 94% of Americans are concerned about the condition of our nation's infrastructure
- "Roads and bridges" rank #2 in top things the public supports
- 84% support spending more;
- 81% are willing to pay 1% more in taxes for it
- Strong majorities among both Dems & Repubs.



Government Accountability is the Voters' Single Highest Priority

- 61% of Americans concerned about accountability
- How can Congress address this concern?
 - CLEAR NATIONAL PRIORITIES
 - REFORMING THE OUTDATED “TEA” PROGRAMS
 - FINANCIAL INCENTIVES FOR RESULTS
 - INCREASING ACCOUNTABILITY FOR FAILURES



REAL NATIONAL PRIORITIES

2009 Authorization Bill

- CONGESTION RELIEF
 - Creation of a \$3 billion “core” congestion relief program for the National Highway System.
 - States that achieve benchmarks on NHS routes receive bonus funds and greater program flexibility
- ECONOMIC GROWTH / FREIGHT
 - New Freight Fund firewalled from the Highway Trust Fund
 - Truck-specific user fees would be spent on highway freight capacity, operations, and traveler information systems.

REAL NATIONAL PRIORITIES

2009 Authorization Bill

- **SAFETY**

- Save 200,000 lives over the next 20 years by cutting annual fatalities in half
- Spend 10% of FHWA funds on safety
- Provide safety programs with a separate “obligation limit”
- Every state must meet its proportional share of lives saved over a four-year period or face higher obligation requirements.
- Tax incentives for purchasing commercial vehicle safety equipment

REAL NATIONAL PRIORITIES

2009 Authorization Bill

- Aging Roads: Pavement Management System
 - FHWA defined minimum performance standard for NHS pavements
 - Implements PMS system
 - Benchmarking existing NHS pavements
 - Submit annual report to FHWA, who develops a national pavement inventory
 - Inventory used to set minimum standards
 - States cannot transfer out of NHS until it meets minimum standards
 - New minimum performance standards for NHS pavements

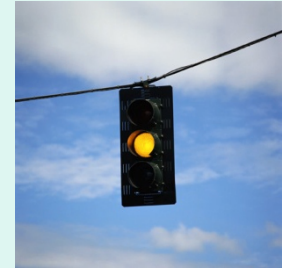


REAL NATIONAL PRIORITIES

2009 Authorization Bill

- **ENVIRONMENTAL STREAMLINING & STEWARDSHIP**
 - Congestion relief projects should be recognized for their air quality benefits
 - Firmer, shorter deadlines for interagency project reviews
 - DOT accountability for timely advancement of projects coordinated with other agencies
 - Expand streamlining pilot programs
- **FUNDING**
 - Keep options open to SAVE the HIGHWAY TRUST FUND
 - Increase transparency, accountability
 - Reduce waste & diversion of both traditional highway user fees and new revenue sources
 - Watch out for budgeters' pressure to substitute State/private funds for federal Highway Trust Funds.

FY2010 Budget: The next fire to put out



Obama-Administration Budget Framework:

- Eliminates “contract authority”, an 87-year old budgetary treatment for hwy programs that helps fund multi-year projects
- No mention of President’s support for roads & bridges.
- Little room for growth in highway funding

Other Moving Parts

Environmental Issues

- Will EPA staff support Obama's pro-highway positions or undermine them?
 - How will the Clean Air Act be used to regulate greenhouse gases?
 - Who will have more leverage with President: DOT or EPA?
-
- Cap-And-Trade legislation
 - Dingell Out, Waxman In; Boxer remains leading Senate force -- What does that mean for:
 - Mandatory VMT-reduction proposals?
 - EPA exercising new duplicative authority over State and Metro Plans?
 - Opportunities for "green" hwy projects to compete with transit for funding?
-
- Streamlining project reviews
 - Will the new DOT support current efforts to streamline reviews?
 - Will the Bush Executive Order on streamlining priority projects be kept in place?

Other Moving Parts

Funding and Financing Issues

- Highway Users Fee Increases: Leadership needed. Support depends on avoiding new diversions
- Competing bonding proposals vs. traditional user “pay-as-you-go” user fees.
 - Will this help or muddle reauthorization?
- National Capital Infrastructure Bank
 - Obama-endorsed plan for large project financing – funding source unclear
- PPPs, tolling, & congestion pricing
 - How will these policies change after Sec. Peters?
 - Sec. LaHood says tolling should be limited to “new capacity”
- “Multi-modalism” strategies: The devil’s in the details

Key Facts

- Outdated, inadequate roads lead to more than 13,000 lost lives each year.
- 25% of bridges are deficient or obsolete
- 1/2 of our roads are not in “good” condition
- In 25 years, we’ve added only 4% new road miles while driving has increased 100%. We’re NOT investing in congestion relief.
- 35% of major urban roads are congested

More Key Facts

- Freight to Double by 2035
- Trade will account for 35% of GDP by 2020 (up from 13% in 1990)
- Highway investments yield up to \$6 in benefits for every \$1 in cost
- CHINA just announced a \$586 billion economic stimulus plan for highways, railroads, and airports. Will we compete?



This Conference Is Critical



President Obama suggests that we need an investment to rival Eisenhower's Interstate System. This did not happen in the economic recovery bill – but it needs to happen in the six-year highways and transit authorization bill. It cannot happen without grassroots mobilization: lobbying & media op-eds.

TODAY: Call your Senators and Congressmen at 202-224-3121 and ask them to prioritize highway funding in the budget and prioritize authorization of the highway bill.

Remind them that:

- 1) Congress must find revenue for stabilize and grow the Highway Trust Fund.**
- 2) The highway bill must be authorized by September 30th or the program may be cut in HALF.**
- 3) Voters support highway & infrastructure spending but want accountability & results!**

Thank you! You can make a difference!

Politics requires YOUR personal involvement and actions from YOU,
YOUR FRIENDS, YOUR EMPLOYEES, & YOUR RELATIVES

Are you ready to work with us to
help yourself and the public good?

For more information:

gregcohen@highways.org

www.highways.org

