



View from “The Hill”

A Look Ahead To The Obama Admin. & 111th Congress

For
TEAM Florida

By Greg Cohen, President
American Highway Users Alliance
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About The Hwy Users



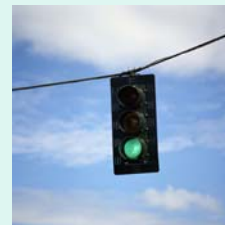
- Founded in 1932, The Highway Users is a pro-highway advocacy organization that uses lobbying, media relations, and grassroots organization as primary tactics to create a positive environment for highways in public policy.
- Our members include about 300 AAA clubs, businesses and trade associations whose bottom-lines depend on America's continued mobility.
- We bring together a dozen diverse industries through our coalition and enjoy a seat at the “kitchen cabinet” when Congress develops highway-related legislation

A Quick Review of 2008

- \$8.017B Highway Trust Fund Restoration
- McCain/Clinton gas tax holiday proposal fails during oil price spike.
- Senate Cap-And-Trade fails again.
- 2008 highway funding levels extended through March 2009 (no appropriations).
- Economy Flounders: House tries to get ball rolling with a vote for \$12.8B in highway funding for Economic Recovery.

Huge Changes Coming

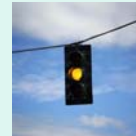
- Overwhelmingly Democratic Congress Wants to Support President-Elect Obama's priorities
- An Early One is Roads & Bridges!



“Barack Obama and Joe Biden believe that America’s long-term competitiveness depends on the stability of our critical infrastructure. They will make strengthening our transportation systems, including our roads and bridges, a top priority” – (from change.gov, transition team website)

But Serious Problems Still Loom

- Highway Trust Fund cannot be sustained through the current authorization
- 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.



More Problems Around the Bend

- Long-term relief must come through more sustainable funding solutions that add revenue to the Highway Trust Fund. These are difficult.
- Once the economic-stimulus is done, continued Presidential leadership is needed for long-term highway investments. Public support for road investments must not wane
- Bipartisan involvement is still critical despite Republicans shrinking numbers.



Other Potential Pitfalls

- Congress should not take the current support for highways as an economic stimulus as a sign that they can go back to pork-barrel spending, diversions, and embarrassing projects.
- Reform and performance programming still needed for the long-term success. As much as \$500 Billion could be at stake in the next highway bill. Congress must be careful not to squander public support.



Immediate Legislative Opportunity

- President-Elect Obama has rallied the country around the idea of economic stimulus through infrastructure.
- Mr. Obama wants a bill to sign on his first day!
- Funds are “General Funds” and do not further deplete the struggling Highway Trust Fund.
- Funds are “Off-Budget” and are not constrained by fiscal constraint or deficit accounting.



Quick Passage of Economic Stimulus is Critical

- If the economic stimulus bill flounders, it will:
 - Get loaded up with “bad things”
 - Lose public support.
 - Take attention away from the more important highway authorization bill.
 - Doom any newly-felt optimism about highway spending in the long-term.



Facts & Figures we provide to elected officials and media outlets

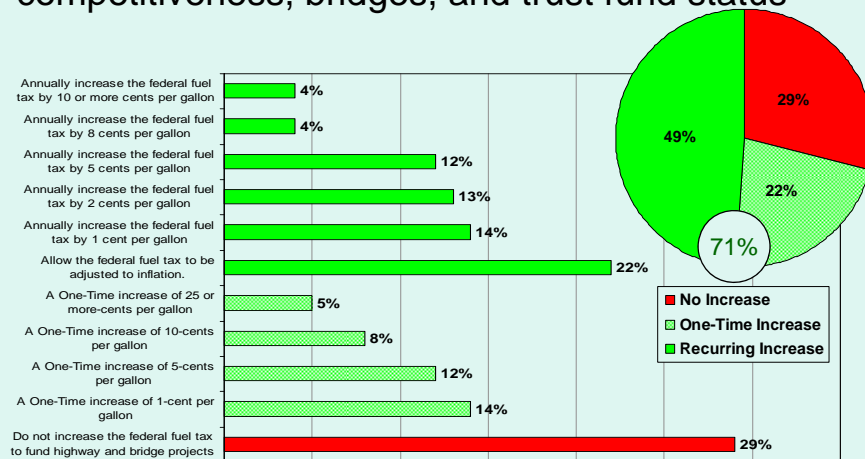
- Every \$1 of investment on National Highway System roads and bridges yields \$5.40 in economic activity.
- Between 30,000 and 40,000 jobs are sustained by \$1 billion in federal highway investments.
- Governors say \$150 billion in ready-to-go infrastructure projects of all types. AASHTO suggests that their initial \$18 billion estimate for roads was too low – new numbers coming.
- CHINA just announced a \$586 billion economic stimulus plan for highways, railroads, and airports. Will we keep up?
- Your business is on the line. Tell your elected officials!

Tax-Legislation

- Although passage of a “quick” tax bill appears in-doubt, this is possibly the best chance for a long-term solution to the Highway Trust Fund.
- A clean “user fee” increase, indexing, or inflation adjustment may have better odds in the tax bill than a highly-scrutinized highway bill, particularly while fuel prices are low.



Hwy Users Survey: Support For Fuel Tax Increase Grows From 57% to 71% after messages about safety, congestion, competitiveness, bridges, and trust fund status



The 2009 Authorization Bill

- Broad consensus has been developed to get past SAFETEA-LU policies with broad reforms, federal priorities, and restraint.
- Congress needs to stay true to this or risk alienating the public further and creating more long-term damage to the program.
- With a substantial increase in revenue, the program need not fall-down once economic stimulus money is spent.

Hwy Users Priorities

- Congestion Relief on the NHS
- Safety improvements all public roads eligible
- Bridges and Pavements on the NHS
- Hwy freight corridors
- Streamlining bureaucracy
- Sustainable long-term federal funding



Facts That Move The 2009 Authorization Bill

- Freight to Double by 2035
- 7 trillion miles of travel by 2055 (currently 3 trillion)
- 88% of growth in South & West
- 80% of growth in metro areas (but 50% outside cities in suburbs)
- Trade will account for 35% of GDP by 2020 (up from 13% in 1990)



Other Moving Parts

Environmental Issues

- What will Obama's EPA look like?
 - 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
 - What does that mean for cement production?
 - What does that mean for mandatory VMT-reduction proposals?
 - Any chance highway bottleneck projects could compete for cap-and-trade auction funds?
- 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

- 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 without Sec. Peters?
- “Multi-modalism” strategies: Will everyone win or will highway funds be a target for diversion to rail? Will Highway/Transit splits be reconsidered or will we end modal “stovepipes”? How would that work?

Other Moving Parts

Appropriations

- Revival of 2009 Transp Appropriation Bill (Omnibus)
- 2008 funding continued through early March 2009.
- If SAFETEA-LU expires without a new authorization and a shortage of trust fund revenue, what do the appropriators do about FY10 funds?
- Could there be a big drop in FY10 funds? If so, would it be “across-the-board” or targeted cuts?

Last Words

There is some real optimism about addressing highway problems BUT

- Getting the money is extremely difficult
- Holding the public's attention and support is difficult
- Congress could EASILY mess things up.
- There are LOTS of moving parts.

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THANK YOU

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