

The Current Funding Crisis

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January 3, 2006

Historical Context

- **Clay Commission**
- **1956 Highway Act**
- **Intervening Years**
- **Today**

Setting the Stage... Why Are We Here?

- **Lack of Funds**
- **Crumbling Infrastructure**
- **Increasing Congestion**

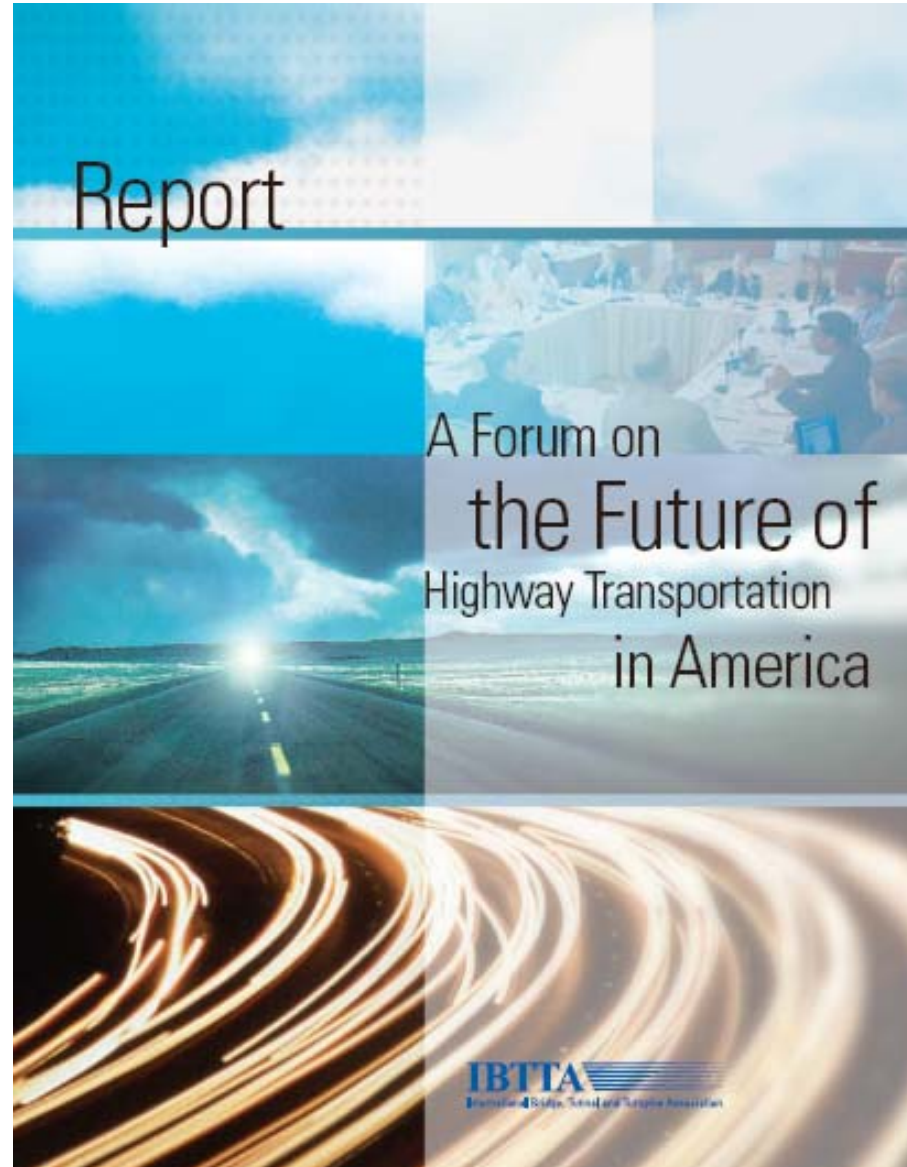
Many Studies Detail the Crisis

- **FHWA** 2003 *Conditions & Performance*
- **AASHTO** *Bottom Line Report*
- **Hudson Institute** *2010 and Beyond*
- **ASCE** 2005 *Report Card*
- **TRIP** 2005 *Road and Bridge Conditions*
- **US Chamber** 2005 *Future Highway & Public Transportation Finance*
- **TTI** 2005 *Urban Mobility Report*

The Gap

= \$50 Billion a Year

**...just to keep from
losing ground**



A Forum on
**the Future of
Highway Transportation
in America**

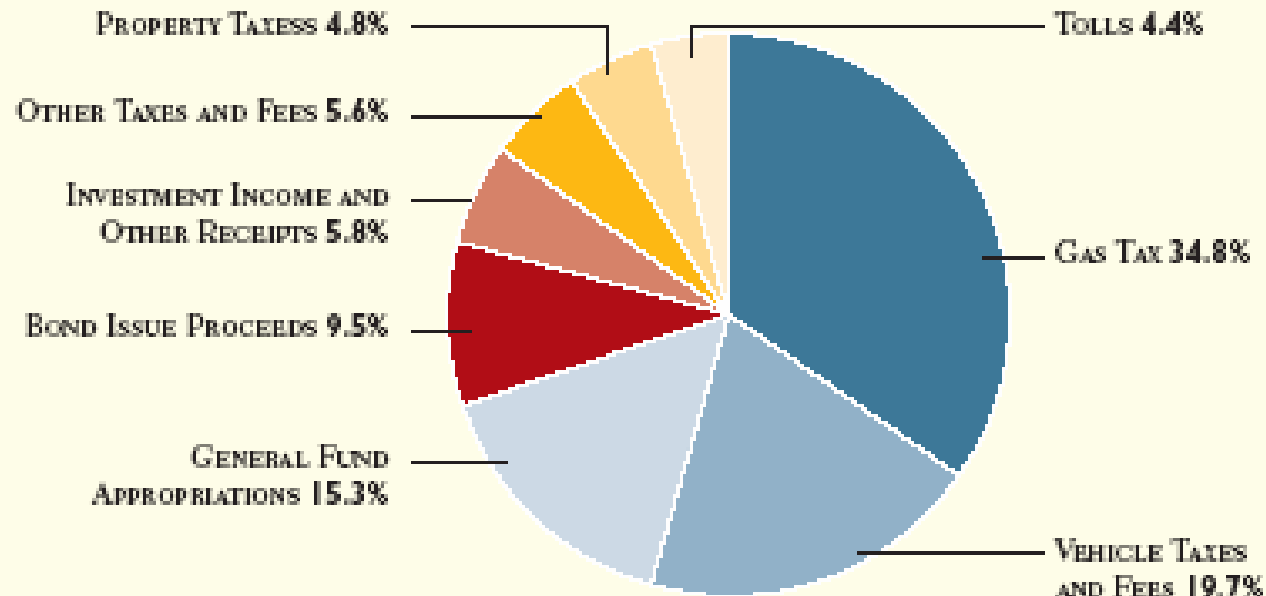


Future Forum Challenges (1/2)

- **Finance**
- **Fiscal Imbalance**

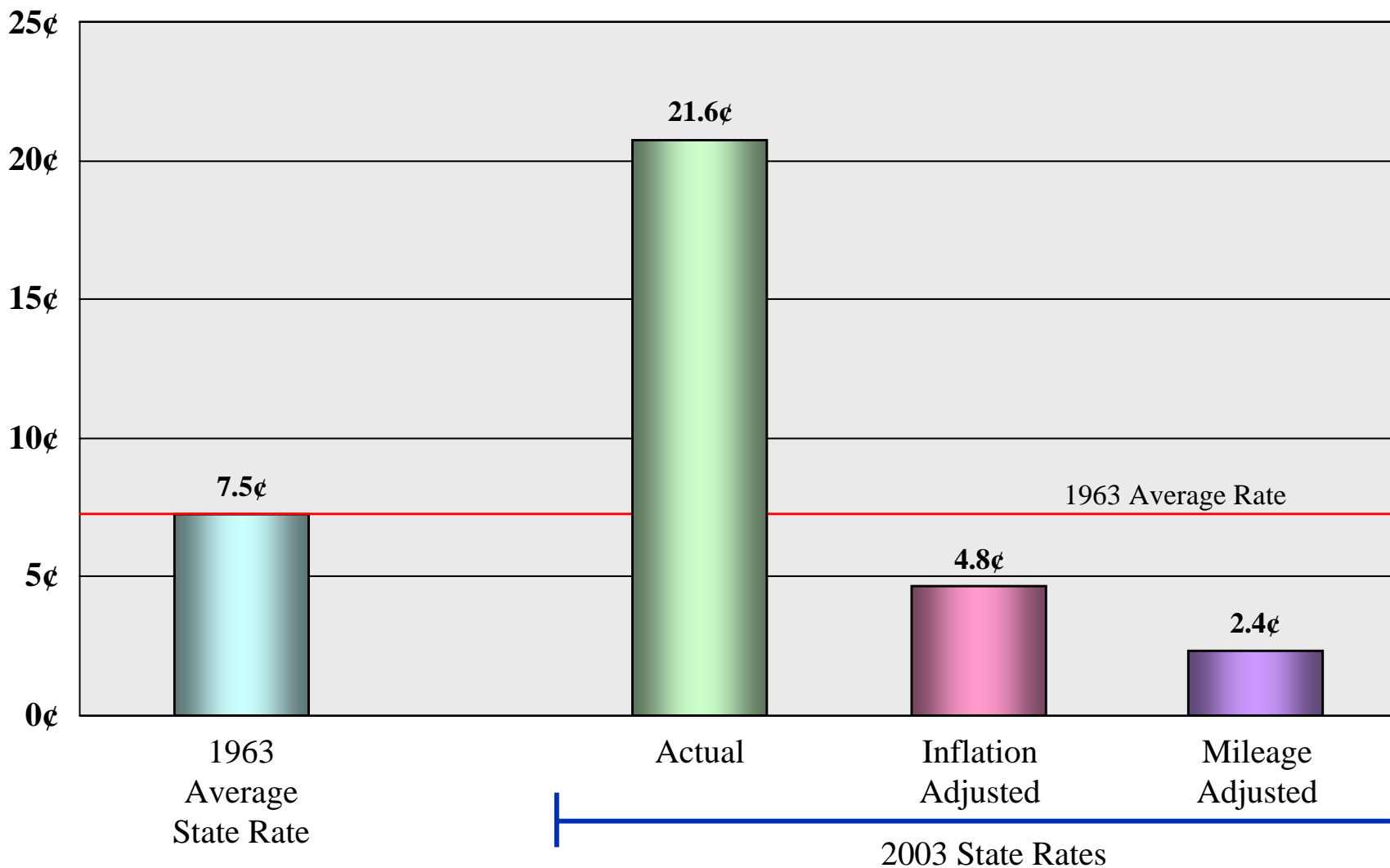
Figure 1: Revenue Sources for Highways, 2001

Total = \$132,874,555,000



Source: Robert Puentes and Ryan Prince, "Fueling Transportation Finance: A Primer on the Gas Tax" (Washington: Brookings Institution, 2003). Includes federal, state and local sources.

State Gas Tax Trends





HIGHLIGHTS OF A GAO FORUM

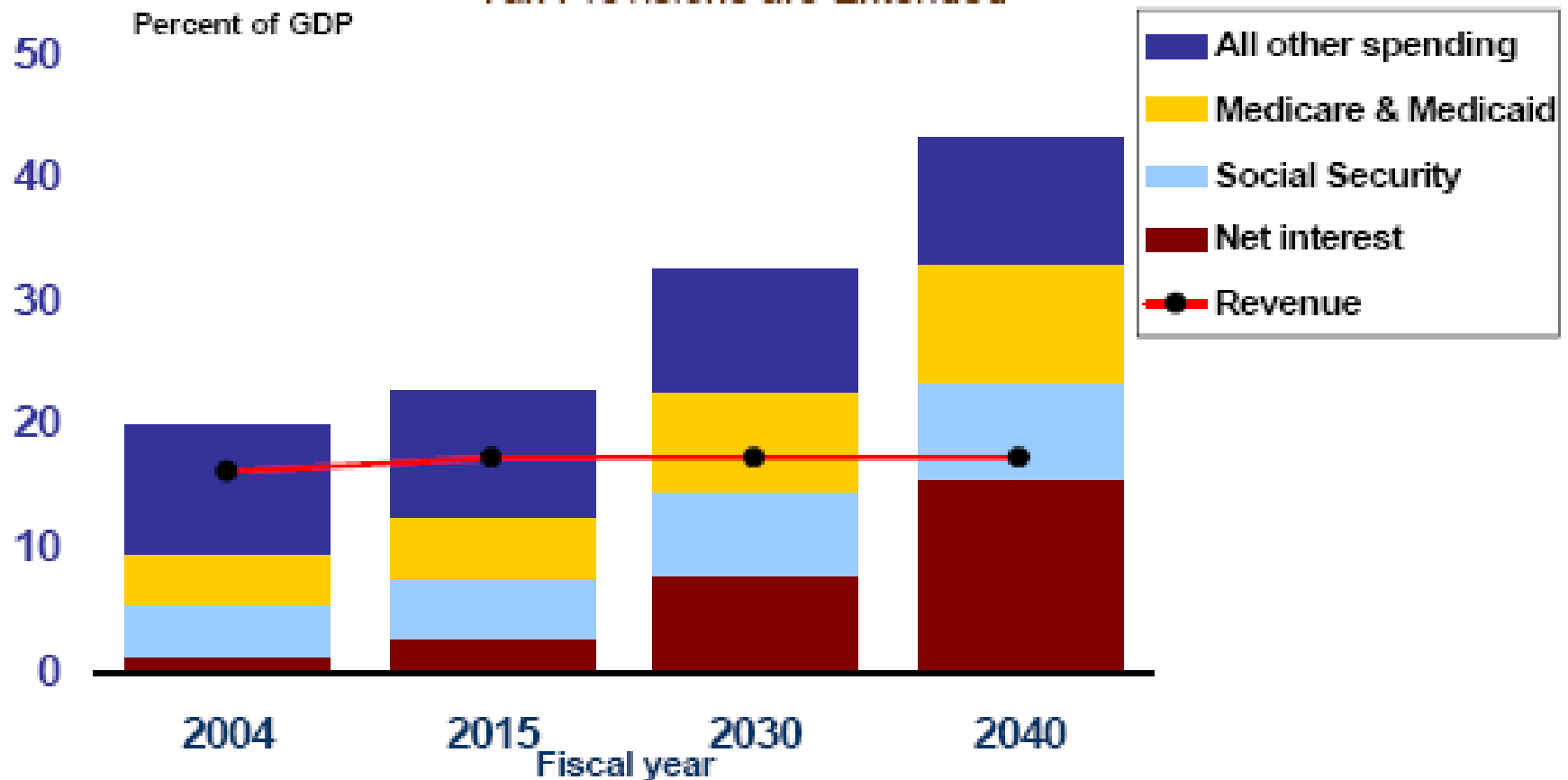
The Long-Term Fiscal Challenge

February 2005

Long-Term Fiscal Challenges

Composition of Spending as a Share of GDP

Assuming Discretionary Spending Grows with GDP after 2005 and All Expiring Tax Provisions are Extended



It's not just about money...

**...It's about
performance.**

Future Forum Challenges (2/2)

- **Institutional Inertia**
- **Political Will**
- **Market Incentives**
- **Stakeholder Inclusion**
- **Performance**
- **National Purpose**

Status Quo?

“If we’re going to make improvements to the system, then we’re going to have to accept that the status quo is not a long-term winning strategy.”

– Tyler Duvall, U.S. Department of Transportation

Thinking in new ways...

“A successful reauthorization may be, in fact, a hindrance to innovation because it’s the strangling of the system that’s causing people to think outside the box.”

– Dan Dornan, AECOM Consult

Future Vision (1/2)

- 1. Moving off gas tax to per mile charge**
- 2. Road pricing and managed lanes**
- 3. Cordon pricing**
- 4. Economic development motive**
- 5. Truck only toll lanes**

Future Vision (2/2)

- 6. Customer service**
- 7. Security**
- 8. Smarter growth patterns**
- 9. Concession model**

PPPs and the Concession Model...

- Are alive and well in Europe, South America, Australia, Africa
- What's happening in the U.S.?

Chicago Skyway Deal

- **The funding crisis is real.**
- **Political structures aren't very capable of pricing roads.**
- **Performance, operations, technology, and customer service are key.**

March 2004 – IBTTA Transportation Finance Summit



TEAM FL/Florida Transportation Commission
Joint Annual Meeting ~ January 3-4, 2006

Today



The Future: Transportation Improvement Forum

- Innovative ideas to solve problems
- Articulate a coherent vision
- Drive positive change in policy
- Involve many stakeholders



Join the Dialogue



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