

Statement for the Record of

The American Society of Civil Engineers

on

“Surface Transportation Reauthorization: Public Transportation Stakeholders’ Perspectives”

United States Senate

Committee on Banking, Housing, and Urban Affairs

February 25, 2020

Introduction

The American Society of Civil Engineers (ASCE)¹ appreciates the opportunity to submit a statement on the importance of long-term, strategic investment in our nation's transit infrastructure system. ASCE is eager to work with the Committee in 2020 and beyond to find ways to further improve this vital surface transportation infrastructure system.

Our nation's surface transportation systems are critical to our nation's public safety, national security, and economic competitiveness. In the 20th Century, the federal government led the way in transportation infrastructure by building our nation's greatest infrastructure systems. Leading back to the Works Progress Administration projects completed during the Great Depression to the creation of the Interstate Highway System in the 1950s and 1960s, the 20th Century will be remembered as a time when Americans took pride in building a strong and lasting infrastructure foundation. However, since that pivotal time, federal leadership and investment have decreased, and the condition of the nation's infrastructure suffered. Nevertheless, infrastructure's relationship to public safety, national security, and economic competitiveness demonstrate the need for a strong infrastructure system because of the critical role the interests of federal government has played. After all, Article 1, Section 8 of the US Constitution includes infrastructure and commerce as a federal responsibility. Therefore, a strong federal role in policy and funding is necessary to assure a national surface transportation system that meets the national needs.

Presently, many of our surface transportation system assets have reached the end of their design life. Coupled with long underinvestment and inadequate support for the Highway Trust Fund (HTF), a large and growing investment gap of \$1.1 trillion over the next ten years has emerged. This gap must be closed if we hope to both repair and modernize our surface transportation infrastructure systems to be competitive in the 21st century.

ASCE's 2017 Infrastructure Report Card

Infrastructure is the foundation that connects the nation's businesses, communities, and people, serves as the backbone to the U.S. economy, and is vital to the nation's public health and welfare. Every four years, ASCE publishes the *Infrastructure Report Card*, which grades 16 major infrastructure categories using a simple "A" to "F" school report card format. ASCE released its *2017 Infrastructure Report Card*², giving the nation's overall infrastructure a grade of "D+," with an investment gap of \$2 trillion over the next

¹ ASCE was founded in 1852 and is the country's oldest national civil engineering organization. It represents more than 150,000 civil engineers individually in private practice, government, industry, and academia who are dedicated to the advancement of the science and profession of civil engineering. ASCE is a non-profit educational and professional society organized under Part 1.501(c) (3) of the Internal Revenue Code. www.asce.org,

² <https://www.infrastructurereportcard.org/>

10 years – and the total investment needed is nearly \$4.6 trillion. Our nation’s transit system received the lowest grade out of all 16 major infrastructure categories earning a “D-” while our bridges and roads earned the grades of “C+” and “D.” These subpar grades are reflected in large part to the \$1.1 trillion 10-year investment gap for our surface transportation network, our dated federal motor fuels tax, and inability to properly fund the HTF.

Despite a dedicated revenue stream for our transit systems through the HTF Mass Transit Account, there continues to be a fundamental issue in raising the necessary funds to match investment needs. While receiving 20-percent of the total revenue coming into the HTF, in fiscal year (FY) 2019, there was -\$10.5 billion in outlays and annual deficit of -\$3.6 billion. If action is not taken, outlays are expected to grow to -\$13.1 billion with an annual deficit of -\$7 billion by FY 2030. Continued underinvestment of the HTF will cause our transit infrastructure to further degrade. Implicitly, failing to sufficiently invest in America’s deteriorating infrastructure will have a cascading impact on the nation’s economy—impacting business productivity, gross domestic product (GDP), employment, personal income, international competitiveness, and public safety.

As Congress starts debate on the next reauthorization of our surface transportation network, ASCE urges Congress to find a long-term, sustainable solution to fixing the HTF. Finding a long-term revenue solution will provide for a stronger, safer national network for the 21st century.

Transit Infrastructure Systems

Transit in America continues to grow, carrying nearly 10 billion trips in 2018, and adding new lines and systems every year, yet the symptoms of overdue maintenance and underinvestment have never been clearer. Despite increasing demand, the nation’s transit systems have been chronically underfunded resulting in aging infrastructure and a growing \$99 billion rehabilitation backlog.

Both federal and state/local funding for public bus and rail transportation recently increased slightly. However, the federal increase in transit capital funds has merely offset a reduction in local funding for capital investment. Local transit spending growth has nearly all been directed to pay for the increasingly expensive maintenance of aging fleet of vehicles. The consequence of this spending pattern is that the average age of a transit bus in America has also increased from 18.5 to 18.7 years. Today, over 40-percent of buses and 25-percent of rail transit assets are in marginal or poor condition.

Many transit systems are also experiencing ridership demand beyond what the systems were designed for, creating tension between the ability to expand to meet demand and the need to maintain the existing system. A transit system’s condition closely correlates to ridership and financial strength; when transit becomes unreliable, fewer people continue to use it, creating a chain effect of lost support in fares and, over time, less investment in the system due to lower ridership. While some communities are experiencing a transit boom,

many Americans still have inadequate access to public transit.

Solutions

Our nation's elected leaders need to act quickly to address the widening investment gap for surface transportation infrastructure systems. The federal government has historically been the leader in strengthening our surface transportation network. Because of this federal leadership role, we urge Congress to:

- Fix the HTF by adding 25 cents to the federal motor fuels tax. The current user fee must be raised and tied to inflation to restore its purchasing power. This idea has been led by the U.S. Chamber of Commerce and would provide a much-needed infusion of \$394 billion over ten years and combat the \$1.1 trillion investment gap of surface transportation capital needs. This added investment must include the continued support for transit funding under the Mass Transit Account of the HTF.
- As part of raising the federal gas tax, lawmakers should include a tax on electric vehicles that would account for their presence on our nation's roads. Looking to the future, Congress should establish a broad pilot program to better understand how a Mileage-Based User Fee (MBUF) could be implemented. ASCE also encourages additional investment at all levels of government through discretionary programs and in relevant areas that focus on reducing the backlog of transit rehabilitation needs.
- With added investment, each transit system should budget and fund maintenance and system improvements critical to sustaining performance, maintaining reliability and meeting service expectations. As part of making these improvements, there should be an effort to use asset management best practices to prioritize projects to improve the condition, security, and safety of assets while minimizing lifecycle costs.
- Lastly, Congress must authorize surface transportation programs to improve our system. Congress must support that commitment by focusing on expanding infrastructure investment; maximizing effectiveness; building for the future; and enhancing project delivery. This includes fully implementing the meaningful reforms included in the FAST Act in order to streamline project development.

Ultimately, ASCE asserts that our nation must prioritize the investment needs of our transit infrastructure system which is critical to our nation's public safety, national security, and economic competitiveness. Fixing the HTF as well as other strategic, robust, and sustained investments, must be made quickly if we hope to close the growing funding gap and restore America's world-class infrastructure. ASCE thanks you for holding this hearing and looks forward to working with the Committee to find solutions to fixing our nation's transit infrastructure system.