

Testimony of Gregory M. Cohen, President and CEO  
American Highway Users Alliance  
Before the National Surface Transportation Policy and Revenue Study Commission  
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Madam Chairman and Members of the Commission, I am delighted to appear before you today to represent the views of the American Highway Users Alliance (The Highway Users) on the topic of “Improving the Performance of Our Transportation Systems”.

When SAFETEA-LU was being considered by Congress, The Highway Users were strong proponents of the creation of a commission that would develop new national transportation priorities and reform the 15 year-old policy structure of the federal surface transportation program.

Reforming the federal program policies is an essential first step to addressing the national surface transportation needs that impact the greatest number of Americans.

With bold recommendations for the next fifty years akin to the plan to build the Interstate Highway System, we believe elected officials, media editors, and the public will shed their pessimism about our country’s ability to improve national mobility, combat congestion, and decrease the epidemic-levels of fatal crashes. Your report is essential to renewing faded optimism in our nation’s ability to address surface transportation problems.

**Highway Users’ Involvement In National Transportation Policy**

The Highway Users has been actively involved in formulating policy, garnering media attention, and developing grassroots calls-to-action for or against every major national highway bill since the early 1930’s. We are a diverse, umbrella organization that serves operators and passengers of all types of highway vehicles. We also serve businesses in a dozen distinct sectors that contribute to the Highway Trust Fund and depend on a world-class road network to transport their families, customers, and products safely and efficiently. Nearly 300 associations and businesses, representing tens of millions of highway users, have charged the organization with representing the interests of our nation’s motoring public.

This commission has met and will meet with many direct beneficiaries of programs funded by The Highway Trust Fund. By taking our testimony into account, you will also be considering the views of the group that represents those that pay the “user fees” to the Highway Trust Fund. Highway users finance the entire federal-aid highway program and subsidize other programs, including most of the federal transit program, and administrative expenses in several modal administrations. We believe that gasoline, diesel, and heavy vehicles taxes that are true user fees should be reinvested in highways, directly serving those paying the fees. Indeed, in a national survey conducted by Andres

McKenna Research, 89% of Americans are more likely to support an elected official who supports using gasoline taxes for highway and bridge improvements.

### **Background: The Value of Highways in the Big Picture**

Both in terms of passenger travel and freight movement, safe, reliable, efficient, and redundant highways are essential to America's economy and quality of life. An affluent society is dependent on both personal mobility and the mobility of goods. Throughout the world and in the United States, increases in income have been accompanied by greater personal mobility. Private vehicles and an efficient highway network have been responsible for tremendous social and economic opportunities.

Compared to other ground-based modes, highway-based travel provides superior speeds, accessibility to destinations, and offers people unparalleled control over their lives. The most common alternative to private vehicle travel is bus travel, which also relies on highways.

Superior mobility from automobiles leads to economic and social opportunities and all income levels that are simply less feasible from reliance on other modes. For example, a Democratic Leadership Council study on welfare-to-work concluded that "the shortest distance between a poor person and a job is along a line driven in a car." At the macroscopic scale, between 1970 and 2000, the 148% VMT growth nearly directly correlated to the 158% GDP growth. We believe that most attempts to address congestion by reducing VMT through social engineering would lead to economic contraction and a poorer quality-of-life for many Americans.

Highways serve 88% of commuter trips and have essentially absorbed all net new trips since 1960 while other modes (except working from home) have declined as a percentage of trips. Public transit performs better than its average 5% share particularly in metro areas of greater than 5 million and where densities exceed 10,000 people per square mile.

Yet commutes only account for 15% of trips (18% of miles) while shopping accounts for 20% of trip (14% of miles), family/personal business accounts for 22.5% of trips (17.3% of miles), and other social/recreation trips accounts for 18.4% of trips (16.2% of miles). The small percentage of commute travel relative to the total further increases the relative importance of highway solutions to solve national transportation problems. According to the BTS, highway-based modes carry 140 times more ground transportation passenger miles than rail.

For freight, trucks continue to carry an increasing share. In 2002, trucks carried 70% of the value of goods and 60% of the weight. Between 1980 and 2004, truck vehicle-miles traveled more than doubled. Truck traffic is expected to double again by 2020 and increase its modal share to meet ever-growing shipper needs. Increased congestion is reducing the reliability of the truck-freight network and the costs of transportation as a percentage of GDP is rising. In 2005, the percentage of GDP absorbed by transportation reached 10.5% and increase of 1.5% since the beginning of the decade. Diesel taxes,

truck taxes, and heavy-vehicles tire taxes contribute about 30% of the fees into the Highway Trust Fund.

Growth in personal mobility continues to outstrip the growth in population, drivers, and vehicles. Between 1980 and 2000, vehicle miles of travel (VMT) grew 67%. The mobility growth rate was nearly three times as large as the 23% growth in population. This growth in personal travel strains the capacity of a largely-unchanged highway system. In those twenty years, new road miles grew by only 3% and new lane miles by only 4%. Capacity improvements were significantly more robust between 1956 and 1980 and congestion was kept largely under control. In 2003, the average annual delay per driver reached 47 hours, more than one work-week. In very large areas, average annual delays exceeded 60 hours, or a work-week and a half.

Finally, because highways are funded by user fees, they are the only transportation mode that consistently pays for itself and even subsidizes other modes. The Bureau of Transportation Statistics reports consistent negative net subsidies from the federal government.

### **Defining the Purpose of the Federal Highway Trust Fund**

#### *Focus on National Needs*

The number of groups vying for highway funding has increased dramatically over the past two decades. With so many constituencies wanting a “piece of the pie”, it has proven to be difficult to focus the federal-aid highway program to meet clear, national objectives that serve those paying the user fees. The American Highway Users Alliance urges this commission to clearly define clear national surface transportation priorities before developing funding strategies to meet the needs. We believe the recent “TEA” bills lack clear priorities and performance requirements and these failures have contributed to diversion and poor earmarking decisions.

In our view, **three main priorities** deserve the highest level of federal attention: (1) interstate commerce and connectivity, (2) mobility and congestion relief in and around major urban areas, and (3) roadway safety. To the extent feasible, States should be required to make measurable performance improvements in these three areas and should be financially rewarded for doing so.

In addition, we recommend continuing a strong federal commitment to nationally-focused surface transportation safety and materials research that reduces project costs and increases long-term public benefits.

#### *Putting the Trust In the Highway Trust Fund*

The Highway Users urges the commission to make a clear statement to Congress and future Administrations about the need to put the trust back into the Highway Trust Fund.

To do so, it is important to first promote the need to maintain budgetary firewalls (or take the trust fund off-budget) in order to guarantee that all highway user fees are spent. Secondly, Highway Trust Funds should only be used for projects that provide a significant benefit to those highway users paying the fee. We believe this will reduce both programmatic and earmarked diversions and increase general fund support for most non-highway projects and administrative expenses. Projects that do not meet this test should be funded with General Funds or not funded at all.

### A National Bottleneck Removal Program

Currently, there is no major core congestion relief program in the federal-aid highway program. The only large program with the word “congestion” in it is the Congestion Mitigation and Air Quality Program (CMAQ) – a program that is primarily used to divert highway account funds to transit and other non-highway capacity projects. The Transportation Research Board studied the program and concluded that its benefits could not be quantified but that recipients of funds from the program were enthusiastic about it.

Unlike the CMAQ program, a national project to eliminate our nation’s worst chokepoints would be a critical step that addresses all three of the national priorities identified above while substantially reducing pollution and greenhouse gas emissions. We studied traffic bottlenecks over six years and found that the number of bottlenecks that caused at least 700,000 hours of annual delay increased 40% from 167 in 1997 to 233 in 2002. Over twenty years the benefits of unclogging these bottlenecks would save approximately \$500 billion in personal time, commercial time, fuel, safety, and air quality improvements. We roughly estimate that improving the worst 24 bottlenecks that each cause more than 10 million hours of annual delay would save nearly \$200 billion.

In addition, we developed a bottleneck report with AAA and TRIP that shows the impact of congestion on the summer travel economy. July and August are the biggest travel months of the year, due to more than 325 million summer vacation trips. Almost all summer trips under 200 miles roundtrip are taken over the road. 85% of trips over 200 miles roundtrip are taken over the road, while almost all remaining trips are taken in airplanes.

The Federal Highway Administration also developed a bottleneck report using similar methodology to our reports that focused on freight movement. Their report identified fourteen types of freight bottlenecks and estimated to cause more than 243 million annual hours of delay total annual hours of delay, resulting in a direct highway user cost of nearly \$8 billion.

### Urban Area Evacuation / Security

Massive urban area evacuations due to Hurricanes Katrina and Rita led to our development of a nationwide Emergency Evacuation Report Card. We evaluated the 37 largest urban areas – those with a population greater than 1,000,000 – and scored their

evacuation capability based on exit capacity, internal traffic flow, and automobile accessibility. Of the 37 urbanized areas, 25 had evacuation challenges greater than those of New Orleans during Katrina and 21 received failing marks, almost entirely due to inadequate exit capacity and/or internal circulation. Beyond security and disaster readiness, a national program to improve exit capacity and internal circulation would have tremendous everyday benefits with nationally-significant economic results.

### Roadway Safety

Highway crashes are the #1 cause of death for children and young adults aged 3 to 34. We now experience 43,400 annual deaths and more than 3 million injuries. It is the equivalent of a 120-passenger jet crashing every day and killing everyone on board. Yet much like the public response to congestion, there is pessimism that anything can be done about it. However, much can be done and the public needs to know! Roadway safety projects that eliminate hazards and upgrade roads with modern design standards and safety equipment could save **one-third** of the lives lost. The new core roadway safety program is a key advancement in the SAFETEA-LU bill and a new reporting requirement that States publicly acknowledge the most dangerous 5% accident locations is one of the few efforts within SAFETEA-LU to measure performance. We support this type of performance requirement and encourage the Commission to add new performance requirements in this and other highway programs.

### Streamlined Project Delivery

Although we recognize that the commission cannot get involved with every aspect of the next highway bill, we strongly recommend that the commission endorse project streamlining. Interagency bureaucracy and complex documentation requirements have been a consistent impediment to project delivery. One key policy improvement under SAFETEA-LU was an effort to expedite project delivery and reduce planning requirements that cause major projects to linger in a decades-long wait for environmental approvals. There is anecdotal evidence that the delays caused by federal regulations dilute the value of federal dollars in comparison to State or local dollars. In addition project delays tend to cost money and lives. We recommend that the commission advise Congress to further streamline both the bureaucratic review process and prioritize streamlined design, right-of-way acquisition, and construction processes. One course of action is to make permanent a current pilot project that allows equivalent States agencies to assume some of the review responsibilities currently held by federal agencies.

### Non-Federal Priorities

We believe it is States and local government should not have the exact same priorities as the federal government. We do not believe the federal government should fund projects that are of no national economic significance. However, the eligibility of State or locally-

imposed highway user fees should be broader, but still focused on highway projects. Other general taxes or dedicated funds should be used for non-highway projects.

States receiving substantial federal aid must grow their highway programs to the same extent as any proposed growth in the federal program. The GAO conducted a study which suggested that States used increased federal funding provided by TEA 21 to offset reductions in State transportation funding. The commission should propose a new requirement to eliminate this practice.

## **Funding**

### *Increased Gasoline and Diesel User Fees*

Highway users recognized that the current revenue stream is insufficient to meet national highway needs. With trust in the Highway Trust Fund, and substantial reform to the federal-aid highway program, The American Highway Users Alliance will support a user fee increase imposed on our members. We would also support levying user fees on non-highway modes of travel to support their programs.

### *Other Highway User Fees*

We are willing to consider additional highway user fees beyond the current gasoline, diesel, truck, and heavy-vehicle tire taxes and look forward to evaluating the fairness of such proposals and the planned use of any monies acquired through new user fees.

### *Publicly-Operated Toll Roads*

The Highway Users opposes the imposition of tolls on existing free roads except for the express purpose of constructing new lanes. We believe roads on the Interstate Highways System should remain free. However, we support new toll road projects that build new lanes and roads, provided that the toll revenue is reinvested back into the facility to pay for the construction. We also support the conversion of HOV lanes to HOT lanes or Express Toll Lanes and the new construction of Express Toll Lanes

### *Value Pricing*

The Highway Users supports the construction of new value-priced lanes or roads that are designed to maximize throughput, provided that the money acquired is used to pay for the project and future capacity. We oppose congestion pricing (including downtown cordons) designed to socially-engineer people out of their cars. We oppose the use of pricing revenues to subsidize non-highway modes.

### *Public-Private Partnerships (PPPs)*

We are currently developing a comprehensive policy on PPPs. In the interim, we recognize that PPPs provide opportunities for innovation. We remain open-minded on PPP proposals that provide new highways or lanes, but have serious concerns about the potential for abuses in contract negotiations that do not involve oversight to protect highway users – particularly interstate travelers. We are most concerned about PPPs involving the lease of existing facilities. We do not believe PPPs are a silver bullet for

funding the national network of roads or a realistic alternative to the traditional federal-state partnership.

### **Conclusion**

We are optimistic that a reformed Highway Trust Fund funded with an increasing supply of highway user fees has excellent potential to solve the most pressing national surface transportation needs: (1) interstate commerce and connectivity, (2) mobility and congestion relief in and around major urban areas, and (3) roadway safety. We are confident that bold recommendations from the commission could set into motion a new plan that elicits strong public and political support for increased funding to implement these objectives. As the Commission begins to finalize the principles for its report, we welcome any future opportunities to be of assistance.