Moving Ahead for Progress in the 21st Century
MAP-21

What is MAP-21 and Why is it Important?
The Moving Ahead for Progress in the 21st Century Act (MAP-21) is the law that authorizes federal surface transportation—highways, highway safety, and public transportation—spending and programs. President Obama signed MAP-21 into law on July 2, 2012, after overwhelming bi-partisan votes in the House and Senate.

This law, which expires on September 30, 2014, included landmark reforms to cut red tape, streamline the bureaucratic project approval process, consolidate or eliminate nearly two-thirds of federal programs, and ensure that states have flexibility to direct limited resources to high-priority needs. MAP-21 improved transportation investment and provided needed certainty for the business community nationwide.

How Does the Transportation System Affect Businesses and the Economy?
Businesses depend on a transportation network that is reliable, fast, safe, and cost effective. Unfortunately, increasing congestion due to deteriorating infrastructure and insufficient capacity disrupts these important connections and imposes additional costs on workers and employers. As congestion increases system-wide, supply chains and cargo shipments are frequently impeded and the cost of doing business increases.

Are there Economic Benefits to Investing in Surface Transportation?
In the near term, every dollar spent on infrastructure investment over a two-year period generates $1.92 in economic output. Over the course of two decades, that dollar will amount to $3.21 in output (College of William & Mary’s Thomas Jefferson Program in Public Policy). Investment in public transportation offers an economic return of $4 for every $1 invested (Economic Development Research Group) and, according to the U.S. Department of Transportation, each $1 billion in federal highway investment plus the state match supports 34,000 jobs.

What Should Congress Do?
Congress must reauthorize MAP-21 before the bill expires on September 30, 2014 and provide the revenue that goes into the federal Highway Trust Fund to pay for federal spending on roads, bridges, and transit.
The Highway Trust Fund Crisis
HTF

Need to Know:

- The Highway Trust Fund is the main source of money for federal road, bridge, and transit funding.
- That money comes from the users of the road system, who pay 18.4 cents on every gallon of gasoline, into the HTF.
- Because the users pay, Congress allows states and locals to plan multi-year projects, which is good for business and the economy.
- But the HTF can no longer sustain current funding levels because users have paid the same amount per gallon since 1993, while needs and construction costs have increased.
- Congress must act **NOW** or in 2015 there will be no new federal spending on transportation.

What is the HTF and Why is it Important?
Congress created the Highway Trust Fund (HTF) in 1956 to ensure steady funding for construction of the Interstate Highway System. In doing so, Congress established the user-supported federal funding system that today supports roads and public transportation.

Who Pays and How Much?
The highway trust fund comprises two separate accounts—highways and mass transit. The primary revenue sources for these accounts are an 18.4 cent-per-gallon federal tax on gasoline and a 24.4-cent-per-gallon federal tax on diesel fuel. Although the HTF has other sources of revenue such as truck registration fees and a truck tire tax, fuel taxes provide about 90% of the income to the fund.

Why Are User Fees Important?
As long as more than 90% of revenues in the HTF come from user fees, the programs funded by the HTF receive a special type of federal budget authority called “contract authority.” Without contract authority, states and communities cannot make realistic plans for large capital investments in job-producing, economically beneficial projects using federal funds.

Why is the HTF Going Broke?
The motor fuel taxes that are the main source of HTF revenue no longer raise enough money to support the programs Congress has authorized. The basic fuel tax rates have not
been increased at the federal level since 1993, and were not indexed to keep up with inflation. Highway vehicle-miles traveled have been trending downward and future increases in fuel economy standards are expected to suppress motor fuel consumption in the years ahead, even if annual increases in vehicle mileage resume.

What Should Congress Do?
Congress must reauthorize MAP-21 before the bill expires on September 30, 2014 and identify revenue for the HTF to pay for federal spending on roads, bridges, and transit. The Chamber believes the simplest, least costly, fastest way to remedy the problem is to increase the federal fuel tax and index it to inflation.

Before the August recess, Congress must provide $5 billion to the HTF to enable full reimbursement to states through September 30. Then we must immediately get to work on the long-term solution.
Talking Points

Framing the discussion: The Highway/Transit bill is a can-do agenda item that will help the economy

- Transportation infrastructure is a core government responsibility. Infrastructure is the backbone of the American economy. Without it, we cannot stand.

- Passing a thoughtful and well-funded surface transportation reauthorization package means advancing common-sense projects that facilitate the movement of goods and services around the country and to markets around the world.

- Clarity out of Washington on this front would immediately reinvigorate the ailing construction sector and create direct and indirect jobs in the near term while laying the foundation for future economic development and an improved competitive edge in the world market.

- It will also help seed critical local and regional economic development like [insert local/regional project reference].

The federal role and the local interest

- The federal government currently provides roughly half of highway and public transportation investments around the country. We need to maintain and grow those investments and rework federal policies so money is going to critical projects like [insert key local/regional project reference].

Call to Action

- For months, leaders in Washington – both Republicans and Democrats – have repeatedly stated that a surface transportation bill is an important item for the jobs agenda.

- Congress needs to follow words with action. Reauthorize MAP-21 and provide the money needed to, at a minimum, maintain the current levels of investment.