Transportation Facts

The Road to Recovery:
Investing in a New Transportation Policy

Our outdated national transportation policy poses a triple threat to the nation—to our safety, to our energy and climate security, and to our economy. The current transportation law expired in 2009, and is due for a wholesale rewrite by the President and Congress. Now is the time to create a smarter, safer transportation network for the future, by repairing aging roads, rail lines and bridges, reducing our dependence on oil, and ensuring that our transportation dollars are invested in projects that bring the highest returns. NRDC recommends that Congress and the President work together to create a strong, coherent national transportation policy that will improve mobility, boost the economy, and protect the environment.

FIX IT FIRST: ADDRESS FAILING INFRASTRUCTURE

In August 2007, Minnesota's I-35W bridge collapsed during rush hour, sending 111 vehicles plummeting into the Mississippi River, killing 13 people, and injuring hundreds more. Proper routine maintenance could have prevented this tragedy. Unfortunately, state authorities poured money into attention-grabbing new projects rather than critically needed maintenance.[1]

Chronic underinvestment in repair work is a widespread problem. Between 1989 and 2003, 500 bridges failed in America.[2] Today, nearly 8,000 bridges across the country are in disrepair. Deferred maintenance is crippling our road and transit networks as well.

Delayed maintenance led to the collapse of the I-35W bridge, north of Minneapolis, in 2007. Kevin Rofidal, United States Coast Guard

A new transportation law must adopt a "fix-it-first" approach to infrastructure. Substantial investment should be allocated exclusively to repairs, and states and regions must be held to a high "state of good repair" performance standard in their long-range plans and transportation improvement programs. The era of wasteful earmarks for flashy but foolish projects, such as the infamous "bridge to nowhere," must give way to a focus on fixing our creaky, decaying, and essential existing transportation infrastructure.

BREAK THE OIL HABIT: GIVE COMMUTERS MORE CHOICES

Transportation accounts for about one-third of America's carbon pollution and 70 percent of the nation's oil consumption. Our cars, trucks, planes, and trains guzzle an astonishing 204 billion gallons of oil per year.[3] Our oil habit exposes us to a global energy marketplace where oil prices seem to be inexorably climbing upwards, sapping our economy by transferring more and more of our hard-earned dollars to unfriendly but oil-rich

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Breaking our oil addiction means giving commuters more and better transportation options.
Randy Stern, Creative Commons License

nations.[4] Our dependence on oil also leaves American consumers vulnerable to short-term price volatility, such as in 2008 when the price of gasoline climbed above 4 dollars per gallon.

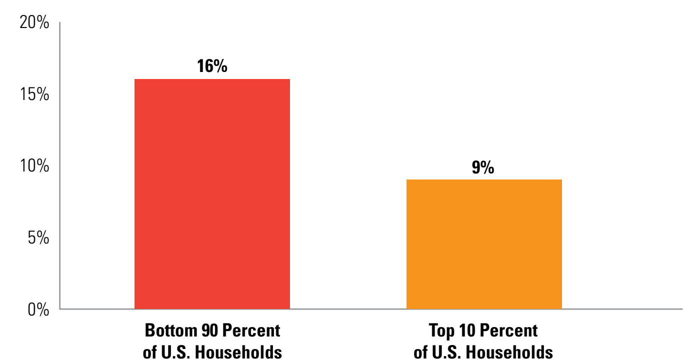
We can and must reduce the oil-intensity of transportation and deliver more mobility choices to commuters and consumers, so that we keep more dollars circulating in our economy and can take advantage of options other than driving when gas prices spike. Specifically, we must establish a national oil-savings objective for our federal transportation program and require similar objectives for states and regions. The federal government should provide financial assistance to meet these objectives by doubling annual funding for public transportation and establishing new, merit-based, competitive loan and grant programs.

INVEST WISELY: GET THE MOST BANG FOR TRANSPORTATION BUCKS

There are steep economic costs to our underinvestment in infrastructure. The average commuter spends the equivalent of a full work-week per year stuck in traffic, costing the nation more than $100 billion in wasted time and fuel.[5] In addition, these costs place a disproportionate burden on middle and working class families who spend 16 percent of their income on transportation (see graph). The average household spends more on transportation than on food or health care.[6] Studies show, however, that transportation investments can save consumers money, increase economic output, and boost employment.

Some investments make smarter use of scarce taxpayer dollars than others. For example, repair jobs and public transportation investments typically have very high rates of return. Jobs are created directly as part of project construction, indirectly through the manufacturing supply chain (e.g. steel for rails, components for buses and rail cars) as well as through workers spending wages domestically. The Apollo Alliance finds that dramatically increasing yearly investment in public transit and intercity rail to $40 billion would generate 3.7 million new jobs and boost annual gross domestic product by $60 billion.[7] Such investments also have a ripple effect, benefitting, for example, small towns where buses are manufactured, or farms that rely on port cities for access to the global marketplace. To leverage our investments we should focus on fixing crumbling roads and bridges as well as building new public transportation as described above. We should also leverage investments by creating an infrastructure bank. The World Bank, which we helped create after World War II, has invested in infrastructure projects around the world, and in the 1980s began mobilizing private sector money with innovative partnerships.[8] We need to use this approach right here at home. An infrastructure bank should make loans to jurisdictions across the country so they can work with companies to build the roads and rail we need to excel economically. Unlike the earmark system, the bank would make loans based on a project's merit, such as whether it would increase economic productivity in a region, or bring greater transit access to rural areas.

Percent of Income Spent on Transportation by Household Income, 2008



Estimates based on 2008 Consumer Expenditure Survey, Interview Survey.
Figures are total transportation expenditures relative to total income for each group.[9]

GETTING IT DONE: THE TIME TO ACT IS NOW

In this time of fiscal prudence, we cannot afford to sacrifice personal safety, national security, or our economic recovery. We must press forward with wise investments in a smarter, bolder, greener transportation program. The President and Congress must work together to get our nation back on track and our workers back in the plants and in our communities getting the job done.

[1,2] LePatner, Barry B., Too Big to Fall: America's Failing Infrastructure and the Way Forward, Foster Publishing 2010.
[3] Department of Energy Annual Energy Review 2010.
[4] Department of Energy Annual Energy Outlook 2010.
[5] Texas Transportation Institute
[6] Treasury-CEA report, based on 2008 Consumer Expenditure Survey
[7] "Make it in America: The Apollo Clean Transportation Manufacturing Action Plan," San Francisco, CA 2010.
[8] Likosky, Michael, Obama's Bank: Financing a Durable New Deal, Cambridge University Press, 2010.
[9] Source: From An Economic Analysis of Infrastructure Investment by The US Treasury Department with the Council of Economic Advisors.