



The Cost of Doing Nothing: Why Investing in Our Nation's Infrastructure Cannot Wait

A hearing before the
Committee on Transportation & Infrastructure
Thursday, February 7, 2019 | 9:30 a.m. | HVC 210, Capitol Visitor Center

Chairman DeFazio, Ranking Member Graves, and distinguished members of House Transportation & Infrastructure Committee, it is our pleasure and privilege to present written testimony on the timely and vitally important topic of investing in our nation's infrastructure.

The North American Concrete Alliance is a coalition of 12 concrete-related national trade associations, including the American Concrete Pavement Association, the American Concrete Pipe Association, the American Concrete Pressure Pipe Association, the American Concrete Pumping Association, the Concrete Reinforcing Steel Institute, the Concrete Foundations Association, the National Concrete Masonry Association, the National Precast Concrete Association, the National Ready Mixed Concrete Association, the Portland Cement Association, the Precast/Pre-stressed Concrete Institute, and the Tilt-Up Concrete Association. Our members are involved in the construction of highways, airports, bridges, buildings, and underground infrastructure.

Our testimony will focus on the needed investment in the Nation's Federal-aid highways, airports, ports and water infrastructure, and the growing need to prioritize the resiliency of our infrastructure.

Our Nation's infrastructure is the backbone of commerce; personal mobility; and the safety, security and quality of life for our citizens. Highways, airports, bridges, ports, and water infrastructure do more than transporting people from one point to the next and products from market to consumers. They also define us and all developed nations in terms of our global competitiveness and our standing on the world stage of macroeconomics, politics, and military might. It is accurate to say that no civilization was ever built or endured with failing infrastructure.

For many years, investment levels in our Nation's surface transportation infrastructure have fallen short of the needs defined by the Government Accountability Office, transportation and transportation-construction advocacy groups and others. State highway transportation agencies and communities across the country are challenged to do more with less, and with inadequate funding available, many local governments and agencies are left with few options other than to "band-aid" existing highways, roads and bridges. Funding challenges resulted in wide-spread reports of highways and bridges falling into disrepair.

In response, many states raised excise taxes on fuel to cope with the insufficient funding, 27 states have raised or reformed gas taxes since 2013.ⁱ This increase in funding at the state level has ameliorated the situation somewhat, but funding levels are still insufficient to meet the current needs, let alone meet the future demands on our network of highways and bridges. We now stand at the junction of the past, present, and future, and for those and many other reasons, investment in America's infrastructure cannot wait. To meet the current and future needs, we must invest *now* and we must invest *sufficiently* to keep pace with the expected population increase of 70 million people expected by 2045.ⁱⁱ This is essential to meeting not only the increase in population, but also the associated increase in vehicle traffic, freight loadings, and the proliferation of technologies either placed into pavements or on highway, bridge, and airfield appurtenances.

According to a recently published studyⁱⁱⁱ commissioned by Congress in the FAST Act, and sponsored by the National Academies of Sciences (NAS) and Federal Highway Administration, our Nation has lived off the fruits of previous investments made five to six decades ago. "Many of the Interstate pavements built in the 1950s and 1960s were designed for 20-year service lives but have been in use for more than 50 years without reconstruction of their foundations." The report continues that "even the majority of the newest Interstate segments, constructed in the 1980s and 1990s, will need to be rebuilt in the next 20 years." We must rebuild the system's pavements, bridges, and other assets before they become unserviceable and less safe, the report states.

We must be more open to funding alternatives to support adequate investment. The NAS study says, "Recent combined state and federal capital spending on the Interstates has been \$20 to \$25 billion annually." The study says, "The total state and federal spending needed to renew and modernize the Interstates over the next 20 years averages \$45 to \$70 billion per year," or more than two- to three-times current spending levels. Not factored into these estimates, the NAS report says,

are the critical needs to reconfigure and/or reconstruct many of the system's approximately 15,000 interchanges; the critical need to make the system more resilient to the effects of climate change; expanding and allocating system capacity more efficiently in and around metropolitan areas; and "rightsizing" the length and scope of the systems through extensions and replacements of some controversial urban segments that do not serve through-traffic.

Congress must take the important step of increasing federal investment in surface transportation. The 27 States that enacted gas tax reforms have dispelled the long-standing myth that a gas tax increase is a non-starter because of the possible political fallout. In fact, user-based options are among those recommended by the NAS report which cites three possible options:

- Increasing motor fuel taxes and other existing federal user fees;
- Allowing states and metro areas to toll existing general-purpose Interstate highways; and
- Instituting mileage-based user fees.

The vast network of highways and bridges are a national treasure, but will only remain so if bold leadership, unwavering determination, and true bipartisan support prevail. The *status quo* of deferring and not prioritizing infrastructure investment; depleting the Highway Trust Fund; and not implementing funding alternatives that are in lock-step with technology and alternative fuels can no longer sustain the needs of our transportation network.

Not only does the nation's surface transportation system face a backlog in maintenance, America's airports have nearly \$100 billion in infrastructure needs to accommodate the anticipated growth in passenger and cargo activity as well as to rehabilitate existing facilities. The annualized needs of approximately \$20 billion, over the five-year authorization of the Federal Aviation Administration (FAA) passed last year, for the nation's airport is greater than the funding available through airport generated net income, Airport Improvement Program grants and passenger facility charge revenue. These funding options have not been updated in 20 years. It is time to modernize the passenger facility charge and continue a robust Airport Improvement Program as a way to address the demands our airports are facing. Updating airport-funding options will give airports and their communities' access to the resources to address their unique needs.

It is also critical for an infrastructure bill to invest in our water infrastructure, including ports, locks and dams, and wastewater infrastructure. A critical part of ensuring the efficient movement of goods is the efficient operation and maintenance of the Nation's ports. At our 59 busiest ports, fully-dredged navigation channels are available less than 35 percent of the time. An important step that can be taken to invest in the maintenance of ports across the country is the full-utilization of the Harbor Maintenance Trust Fund. NACA supports passage of legislation to fully utilize the Harbor Maintenance Trust Fund balance of \$9 billion collected from the Harbor Maintenance Tax.

The Environmental Protection Agency estimates there is a \$40 billion backlog in clean water infrastructure projects across the country and communities need approximately \$270 billion in investment over the next 20 years to bring their systems into a state of good repair. An investment in this infrastructure will not only bring it into a state of good repair but improve public health.

As a nation we have been forced to invest a lot of disaster recovery over recent years as a result of the number of hurricanes, wildfires, and other severe weather-related events. This expenditure demonstrates the importance of investing in pre-disaster mitigation with resilient public infrastructure. NACA supports providing communities with the resources and tools needed to enhance the resilience of their infrastructure, including buildings, roads, and water and sewer infrastructure to minimize damage, disaster response time, and replacement costs, which translates into lower costs over time due to improved durability and a decreased need for maintenance.

Without adequate, reliable, and long-term commitments of funding and policy decisions to support infrastructure development, agencies and local governments will fall farther behind in their goals of upgrading, modernizing, and expanding the network and the industry will continue to suffer from consolidation and attrition.

Without adequate and timely investment in our nation's infrastructure, the legacy passed on to future generations will be failing or even crumbling highways, bridges, airfields, locks and dams. Along with that, the system will not keep pace with population increases, vehicle loadings and traffic increases, and technology advances, and increased freight movement through our ports and highways. In contrast, if Congress rallies in support of the infrastructure and works closely with the Administration and the States, our Nation has a realistic opportunity to build on our existing assets

and transform our network of highways, bridges, airfields and waterways to become the gold standard in transportation and technology for all the world to follow.

ⁱ “Most States Have Raised Gas Taxes in Recent Years,” JUST TAXES BLOG, The Institute on Taxation and Economic Policy, May 22, 2018. <https://itep.org/most-states-have-raised-gas-taxes-in-recent-years/>.

ⁱⁱ “Beyond Traffic: 2045 Final Report,” U.S. Department of Transportation, Washington, DC. <https://www.transportation.gov/policy-initiatives/beyond-traffic-2045-final-report>.

ⁱⁱⁱ “Renewing the National Commitment to the Interstate Highway System: A Foundation for the Future,” (TRB Special Report 329), © 2019, National Academy of Sciences, Washington, DC. <https://www.nap.edu/catalog/25334/renewing-the-national-commitment-to-the-interstate-highway-system-a-foundation-for-the-future>