



“Celebrating the 50th Anniversary of the Eisenhower
Interstate Highway System”

Testimony of
American Road and Transportation Builders
Association

Before the

Subcommittee on Highways, Transit and Pipelines
Committee on Transportation and Infrastructure
U.S. House of Representatives

Presented by

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Good afternoon.

I am Eugene McCormick, senior vice president & chairman of the board of Parsons Brinkerhoff Quade & Douglas, a planning, engineering and construction management firm. I am also the 2006 chairman of the American Road and Transportation Builders Association.

ARTBA is very pleased to be part of this Committee's observation of the 50th anniversary of the landmark legislation that created the Dwight D. Eisenhower System of Interstate and Defense Highways.

ARTBA is a trade association with more than 5,000 member firms, government agencies and private individuals involved with planning, designing and constructing the nation's transportation systems.

On June 29, 1956, President Dwight Eisenhower signed the law authorizing construction of the Interstate Highway System and creating the Highway Trust Fund to finance it. It was the greatest domestic achievement of his presidency. It also represented the fulfillment of the 1901 vision of ARTBA founder Horatio Earle who advocated a federally-built "Capital Connecting Government Highway System," which he said, "would connect every state capital with each other and the Nation's Capital—Washington, D.C."

Many of our members helped design and build the Interstate Highways, from the first ground-breaking in the mid-1950s through the completion of the planned system during the 1980s, and today our members are busy reconstructing and improving the Interstate Highways and adding new segments.

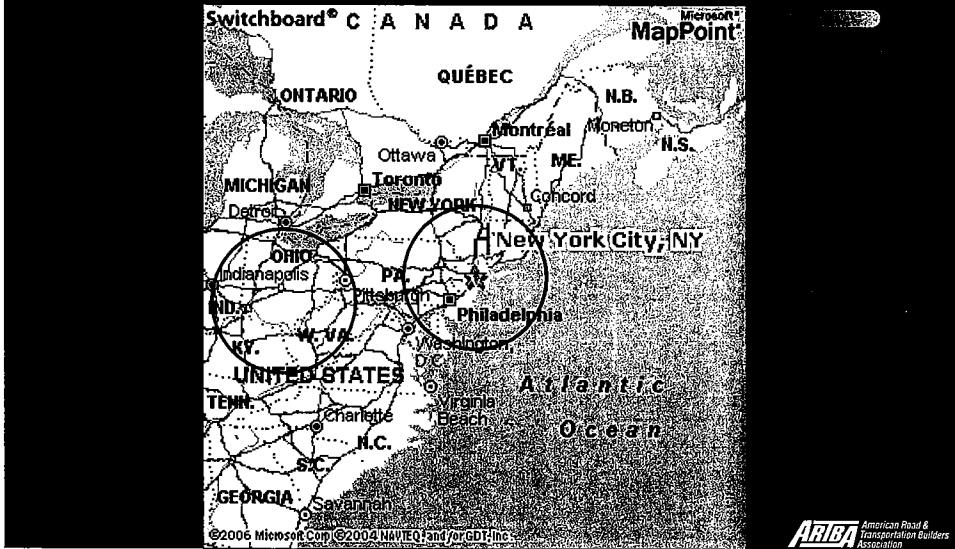
Contribution of the Interstate Highways to U.S. Economic Growth and Prosperity

Our members are proud of their contribution and they should be. The Interstate Highway System not only made travel in the United States quicker and safer, it had a profound impact on the American economy and was a primary factor in the strong postwar economic growth that has made the U.S. one of the most prosperous countries in the world.

Prior to the Interstate Highways, most travel in the United States took place on two-lane roads. A full day's travel was about 250 to 300 miles, which means the market area for a firm would be pretty limited. Figure 1 illustrates the area that could be served within one day by a firm in the New York City area and one located in southern Ohio. There is no overlap.

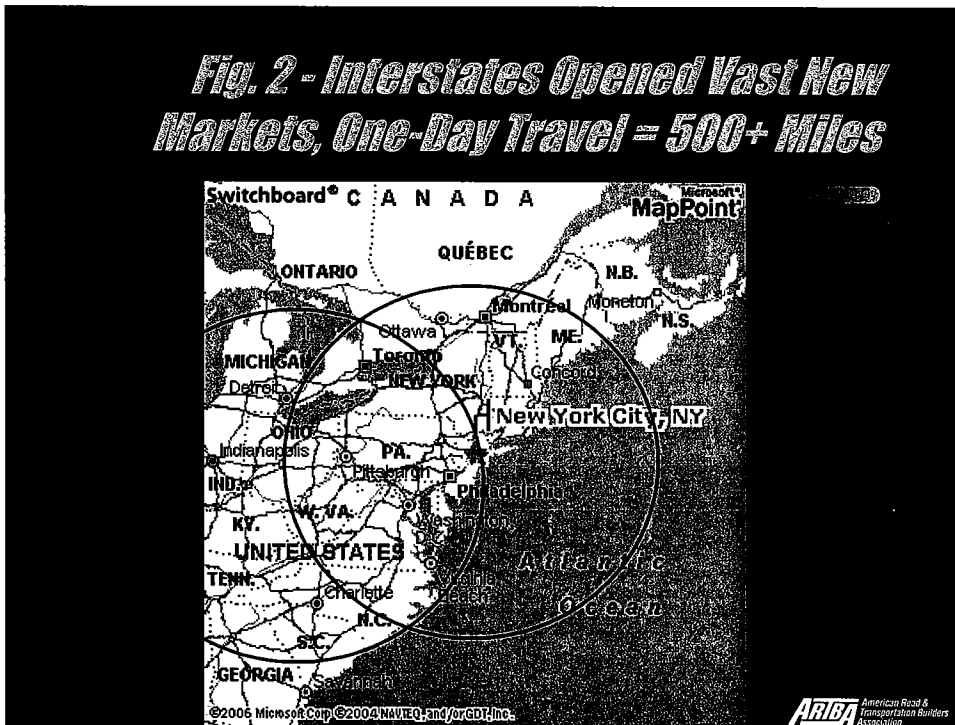
As a result, much of the manufacturing output in the U.S. was high-cost small-scale production for local markets.

Fig. 1 - Before Interstates, One Day Highway Travel = 250 Miles



The Interstate Highway System completely changed this. On the Interstate Highways, a truck could travel 500 to 600 miles in a day, and the one-day market area for a firm quadrupled as illustrated in Figure 2.

Fig. 2 - Interstates Opened Vast New Markets, One-Day Travel = 500+ Miles



This had two impacts on the U.S. economy.

First, it gave producers an opportunity to take advantage of economies of scale and adopt technologies for large-scale output.

Second, it allowed producers to relocate to areas where labor and material costs were lower.

The result was a surge in productivity growth and real incomes of American workers and families.

This is just part of the impact that the Interstate Highway System has had on our national economy and quality of life. It is clearly one of the government's most important accomplishments and demonstrates the continuing value of investment in our nation's transportation infrastructure.

Conditions and Performance on the Interstate Highways

Today, the Interstate Highways are the core of our nation's surface transportation system.

The Interstates comprise just over one percent of the road miles in the U.S., but carry almost 25 percent of all traffic and more than 40 percent of all truck traffic.

And the traffic continues to grow. In the last decade alone, from 1993 to 2004, the amount of travel on the Interstate Highways grew more than 36 percent while traffic on other roads grew 29 percent. During that decade, truck traffic on the Interstates grew more than 48 percent, and more than 63 percent on urban Interstates.

In that same time, the number of Interstate lane miles has grown only 4 percent.

Looking ahead, the Center for Urban Transportation Research at the University of South Florida predicts that total traffic in the U.S. will grow another 60 percent by 2025, while the Federal Highway Administration foresees a doubling of truck traffic during that same period.

All of this is putting a great strain on our Interstate Highways.

According to the latest report of the Texas Transportation Institute, 59 percent of major roads in urban areas are congested during peak travel periods each day compared to 34 percent in 1982. The amount of peak-period travel on major urban roads under congested conditions has grown from 32 percent to 67 percent. As the volume of travel grows, these figures will keep getting worse and spread to more and more parts of the country.

This kind of travel volume takes a toll on the physical condition of the Interstate Highways. In urban areas, less than half of the Interstate miles are in what the Federal High-

way Administration considers “good condition,” according to the U.S. Department of Transportation’s 2004 Report to Congress on the *Status of the Nation’s Highways, Bridges, and Transit: Conditions and Performance*. Most of the remaining urban Interstate Highway miles are considered in “acceptable condition,” although eight percent do not even meet that minimum standard.

In rural areas, the Interstates are in somewhat better shape, with 72 percent of miles in good condition and almost all of the rest in acceptable condition.

Investment Requirements for the Interstate Highways

The long-term outlook for the Interstate Highways, however, is troubling.

According to the U.S. DOT’s report, an average annual investment of \$18.8 billion in 2002 dollars from all levels of government would be necessary between 2003 and 2022 just to maintain current physical and performance conditions on the Interstate Highways. And this figure does not take into account the rising cost of highway construction materials and labor. When cost increases are added, the annual investment needed just to maintain current conditions on the nation’s Interstate Highways goes up each year. The annual investments in current dollars to maintain conditions on the Interstates are shown through 2015 in Figure 3.

Fig. 3 - Annual Investment Required to Maintain Conditions on the Interstate Highways

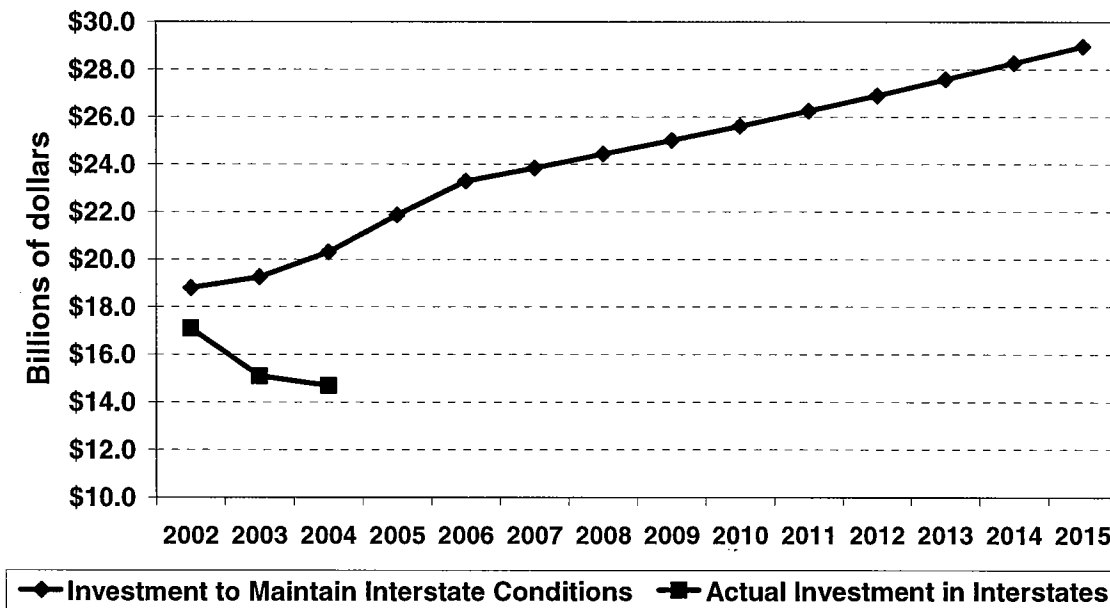


Figure 3 also shows that all levels of government invested only \$15.1 billion on improvements to the Interstate Highways in 2003 and \$14.7 billion in 2004, according to the

Federal Highway Administration. While we can't predict how much will be invested in the Interstate Highways in future years, Figure 3 shows that the amount to maintain conditions will grow from \$20 billion in 2004 to \$29 billion by 2015.

Apparently, the current level of investment is sufficient to maintain physical and performance conditions on Interstate Highways in rural areas or even improve them a bit, according to the U.S DOT report.

But for urban Interstates, the current level of investment will not maintain conditions. At the existing level of investment, the percent of urban Interstate miles with a riding surface judged "acceptable" would decline from over 90 percent today to 81 percent within 20 years, according to the U.S. DOT report, while the number of hours of delay would rise by 10 percent.

Although state and local governments invest some of their own highway funds in the Interstates, most of the funding needed to close the gap shown in Figure 3 would probably have to come from the federal highway program. This growing challenge should be a major issue for SAFETEA-LU reauthorization.

There are some who contend that the completion of the Interstate Highway System means the federal role in highway investment should shrink and that future transportation investment should focus on alternative transportation modes.

As I have testified, the demands on the Interstate Highway System are growing and these highways are becoming less and less capable of meeting the nation's need for a safe, efficient transportation system. The economic impact of failing to meet the demands that our society imposes on the Interstate Highways would be profound. This must remain an integral focus of the federal transportation policy agenda.

Conclusion

The Eisenhower Interstate Highway System is one of the best investments this nation ever made.

The improvements in transportation made possible by the Interstates were a critical element in the postwar growth and prosperity of the American economy.

But capacity on the Interstate Highways has not kept pace with demand. In many urban areas, the Interstate Highways are clogged with traffic for much of each day and are impeding, not facilitating, the economy.

According to the U.S. DOT's 2004 Conditions and Performance Report, the annual investment required just to maintain conditions on the Interstate Highways will grow from \$18.8 billion in 2002 to \$29 billion by 2015. Actual investment in recent years has fallen substantially short of the amount needed to maintain conditions.

This Committee's interest in the Interstate Highway System and today's hearing is a hopeful sign that the needs of our Interstate Highways will be met.

As we prepare to celebrate the 50th anniversary of the Dwight D. Eisenhower System of Interstate and Defense Highways this week, this milestone achievement provides an opportunity to launch the much-needed national examination of how the challenges facing the Interstates and other transportation facilities should be addressed.

Thank you for the opportunity to appear before this Committee today. I am happy to answer any questions Members of the Committee might have.

