

SAFE, ACCOUNTABLE, FLEXIBLE,
EFFICIENT TRANSPORTATION
EQUITY ACT:
A LEGACY FOR USERS

(SAFETEA LU)

THURSDAY, AUGUST 18, 2005

EXECUTIVE SUMMARY

SAFE, ACCOUNTABLE, FLEXIBLE, AND EFFICIENT TRANSPORTATION EQUITY ACT: A LEGACY FOR USERS (SAFETEA LU)

- **SAFETEA LU** reauthorizes the federal highway, public transportation, highway safety, and motor carrier safety programs for six years, from fiscal years 2005 through 2009.
- **SAFETEA LU** provides a total of \$286.4 billion in guaranteed funding between fiscal years 2004 and 2009 – a 42 percent increase over the guaranteed funding provided under TEA 21 (1998-2003).
- **SAFETEA LU's** total funding level and policies have been formally endorsed by the Administration. President Bush signed H.R. 3 (SAFETEA LU) on Wednesday, August 10th, 2005.
- **SAFETEA LU** is overwhelmingly supported by both Houses of Congress. The Conference Report on H.R. 3 passed the House of Representatives on July 29th by a vote of 412-8. The Conference Report passed the Senate later that afternoon by a vote of 91-4.
- **SAFETEA LU** will continue and protect existing U.S. jobs in the transportation sector and related industries. Millions of new jobs will be created and sustained by the infrastructure funding increases in SAFETEA LU.

COMPARISON OF GUARANTEED FUNDING TOTALS BY AGENCY *(IN MILLIONS)*

AGENCY	TEA 21	SAFETEA LU
FEDERAL HIGHWAY ADMINISTRATION	\$163,000	\$227,560
FEDERAL TRANSIT ADMINISTRATION	\$36,000	\$52,579
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION	\$1,300	\$2,888
NATIONAL HIGHWAY TRAFFIC SAFETY ADMIN.	\$1,700	\$3,430
TOTAL	\$202,000	\$286,457

CONGESTION RELIEF

PROBLEMS:

- Annually, congestion costs American drivers:
 - \$67 billion in lost productivity and wasted motor fuel.
 - 3.6 billion hours of delay each year.
 - 5.7 billion gallons of wasted motor fuel.
- Congestion costs the average traveler who drives during peak periods \$1,160 a year.
- Traffic congestion affects 33 percent of all travel on America's major roadways.

RESPONSE:

- SAFETEA LU provides more than \$227 billion between fiscal years 2004 and 2009 for the federal highway program. This is nearly a 40 percent increase over the funding level provided in TEA 21.
- SAFETEA LU provides more than \$52 billion for federal public transportation programs. Public transportation is an important component to solving the nation's congestion problems.
- SAFETEA LU creates several new programs designed to bridge current infrastructure gaps and to address congestion choke points. These programs include a \$1.9 billion National Corridor Infrastructure Improvement program, a \$1.8 billion Projects of Regional and National Significance program, and \$833 million for a Coordinated Border Infrastructure program.
- SAFETEA LU ensures that States utilize congestion relief technologies to make roadway travel safer and more reliable.
- SAFETEA LU contains several provisions that encourage and promote the recapturing of unused highway capacity. Provisions in SAFETEA LU related to HOV/HOT lanes, transportation system management and operations, and value pricing will allow highway managers to squeeze more capacity from our existing highway investments.

SAFETY

PROBLEMS:

- More than 42,000 Americans are killed and 2.9 million are seriously injured each year on the Nation's highways.
- Substandard road conditions and roadside hazards are a contributing factor in nearly 1/3 of all fatal crashes each year.
- Motor vehicle crashes cost the United States \$231 billion annually, including \$21 billion from Federal and State tax revenue.

Response:

- **SAFETEA LU** creates a new core program for highway safety infrastructure improvements with its own dedicated funding stream. The new program is funded at approximately \$5 billion from FY 2006 through FY 2009.
- **SAFETEA LU** provides \$360 million for a new High Risk Rural Road Safety Improvement Program that targets funding for safety improvements on rural two-lane roads. About 61 percent of all highway-related fatalities occur on rural roads.
- **SAFETEA LU** increases funding for NHTSA highway safety formula grants to support a full range of State safety programs, including impaired driving programs, occupant protection programs, motorcycle safety, police traffic services and roadway safety.
- **SAFETEA LU** provides \$638 million in incentives to States to strengthen their seat-belt and child safety seat programs. TEA 21 provided \$68 million over the life of the bill for these activities.
- **SAFETEA LU** creates a new Safe Routes to School program which provides \$612 million over five years in formula funding to States to encourage communities to adopt strategies and fund projects designed to allow children to walk and bike to school safely.
- **SAFETEA LU** provides \$595 million in incentive grants to help States combat impaired driving. In addition, \$116 million is provided for national high visibility enforcement campaigns such as "Click it or Ticket" and "You Drink, You Drive, You Lose".
- **SAFETEA LU** provides \$1.7 billion in State motor carrier safety grants, including the Motor Carrier Safety Assistance Program (MCSAP), Border Enforcement grants, Commercial Driver's License grants, Performance and Registration Information System Management grants, and State Data Improvement Grants. These grants will promote State enforcement of and compliance with Federal Motor Carrier safety regulations.

FREIGHT MOBILITY

Problems:

- In 2002, 8.9 billion tons of freight – at a value of more than \$5 trillion – was transported by highway. From 1990 to 2000, U.S. truck travel increased by 38 percent. In the next 20 years, truck travel is expected to increase 90 percent due to an expanding economy and the increased reliance on just-in-time delivery.

Response:

- SAFETEA LU funds several programs that are specifically designed to improve the movement of freight.
- SAFETEA LU provides \$1.9 billion over five years to fund a National Corridor Infrastructure Improvement program. This program is designed to fund regional and multi-state corridor projects that will improve mobility and economic growth in areas underserved by existing highway infrastructure.
- SAFETEA LU provides \$833 million in funding for the Coordinated Border Infrastructure program, which apportions funds to border States for highway projects that will improve the safe and efficient movement of people and goods at or across the border between the United States and Mexico and the United States and Canada.
- SAFETEA LU provides \$1.8 billion for a new program to fund projects of regional and national significance. This program is designed to fund projects that will have a significant impact on the movement of goods and people beyond the immediate local area of the project.
- SAFETEA LU provides \$25 million between fiscal years 2006 and 2009 for a new program to address the shortage of long-term parking for commercial vehicles on the National Highway System. The bill also creates an Interstate Oasis program designed to identify facilities in the proximity of the National Highway System that offer 24-hour services and parking for heavy trucks and automobiles.
- SAFETEA LU creates a new Freight Intermodal Distribution Pilot program, funded at \$30 million between fiscal years 2005 and 2009. This program is intended to fund projects that reduce congestion into and out of ports located in the United States.
- SAFETEA LU provides \$100 million to complete the core deployment and encourage the expanded deployment of the Commercial Vehicle Information Systems and Networks (CVISN) program, which will improve commercial motor vehicle efficiency by allowing trucks to by-pass safety inspections and weigh stations, based on their safety records.
- SAFETEA LU funds several research programs and studies designed to improve freight mobility including a Freight Planning Capacity Building program, a National Cooperative Freight Transportation Research program and a Motor Carrier Efficiency Study.

PUBLIC TRANSPORTATION

PROBLEMS:

- From 1996 to 2002, public transit ridership grew 21 percent, and now carries 9.6 billion passenger trips a year. But in many U.S. cities, public transportation infrastructure is not keeping up with demand.
- Public transportation provides vital mobility to seniors, individuals with disabilities, and families with only one car or no car – but in 40 percent of U.S. counties, there is no public transportation system.
- Highway congestion is a growing problem in nearly every part of the country. If public transportation was unavailable and people were forced to drive, congestion on our nation's highways would be much worse than it is today.
- The Mass Transit Account (MTA) of the Highway Trust Fund, which provides 80 percent of the funding for public transportation programs, is drawing down its balance faster than actual spending would dictate because of an accounting problem. If this problem is not addressed, the MTA balance will be zero by 2007.

RESPONSE:

- SAFETEA LU increases funding to meet public transportation infrastructure needs. The Act provides \$52.58 billion for transit programs, all guaranteed. This is a 46 percent increase in guaranteed funding. TEA 21 authorized \$41 billion for transit programs, of which \$36 billion was guaranteed funding.
- SAFETEA LU increases the percentage of formula funding for public transportation in rural areas (towns of less than 50,000 in population). Total six-year funding for rural public transportation increases by 95 percent, going from \$1.25 billion in TEA 21 to \$2.44 billion in SAFETEA LU.
- SAFETEA LU strengthens public transportation services for individuals with disabilities by increasing the elderly and disabled formula program and authorizes President Bush's New Freedom Initiative, providing funds for disabled transportation activities in areas where these services are not available, or that go beyond the requirements of the Americans with Disabilities Act. These two initiatives total \$1 billion over the six-year authorization period, more than double the amount provided for the elderly and disabled formula grants program under TEA 21.
- SAFETEA LU augments the basic formula programs for urbanized and rural areas to provide funding in anticipation of forecasted growth, to get ahead of transit needs.
- SAFETEA LU addresses the drain of budgetary resources from the Mass Transit Account by fixing the accounting problem created by each Federal Transit Administration program being split-funded between the trust fund and the general fund.

NATIONAL INFRASTRUCTURE NEEDS

Problems:

- The Interstate System is almost 50 years old.
- 32 percent of our major roads are in poor or mediocre condition.
- 29 percent of our bridges are structurally deficient or functionally obsolete.
- 36 percent of the nation's urban rail vehicles and maintenance facilities are in substandard or poor condition.
- 29 percent of the nation's bus fleet and maintenance facilities are in substandard or poor condition.
- According to the U.S. Department of Transportation, the combined spending of all levels of government for the existing infrastructure should be \$106 billion annually for highways and \$20.6 billion for transit.
 - **Highways:** To reach that investment level by 2009, the federal share of highway investments over the next six years should be roughly \$40 billion in 2004 growing to \$60 billion in 2009.
 - **Transit:** To reach that investment level by 2009, capital public transportation grants should reach \$12.8 billion, with an additional \$1 billion for operating grants, research, planning, and administrative costs.
- It is difficult for States and localities to dedicate adequate resources to large-scale infrastructure projects, especially those that have significant regional or national significance but are of more limited local benefit.

Response:

- SAFETEA LU increases investment in transportation infrastructure to levels that will allow States and localities to not only maintain their roads, bridges, and transit systems, but to improve them.
- SAFETEA LU grows highway obligation authority from \$34.4 billion in 2004 to \$41 billion in 2009; public transportation funding grows from \$7.3 billion in 2004 to \$10.3 billion in 2009.
- SAFETEA LU authorizes a new \$1.8 billion Projects of National and Regional Significance program and a new \$1.9 billion National Corridor Infrastructure Improvement program to help States pay for high cost highway projects that have significant national or regional benefits.

ECONOMIC IMPACTS OF INFRASTRUCTURE **INVESTMENTS**

- For every \$1 billion invested in federal highway and transit spending, 47,500 jobs are created or sustained.
- Highway and transit investments stimulate economic activity. They increase productivity by decreasing time spent on the road, encouraging new development, and increasing property values.
- Transportation infrastructure generates up to a 6-to-1 net return on investment.
- Increased transportation investment improves freight mobility -- More than 67 percent of the nation's freight moves on highways, an annual value to the economy of more than \$5 trillion.