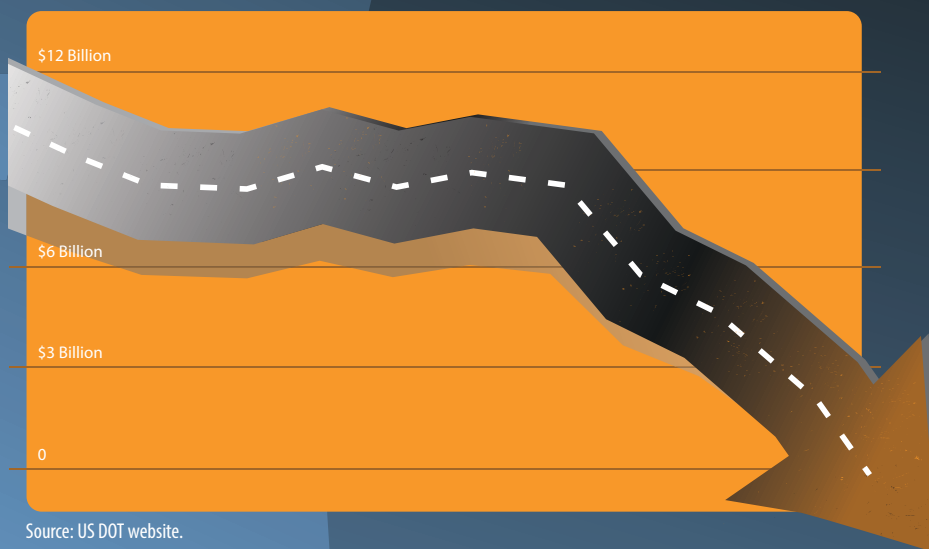


Time is running out.

USDOT Highway Trust Fund Ticker

Highway Account:

FY 2014 Projected End-of-Month Cash Balances



Money out of the Highway Trust Fund continues to outpace money in. A shortfall in the Highway Account is expected before the end of the current bill, September 30. And the Mass Transit Account is not far behind.

We need a long-term solution.

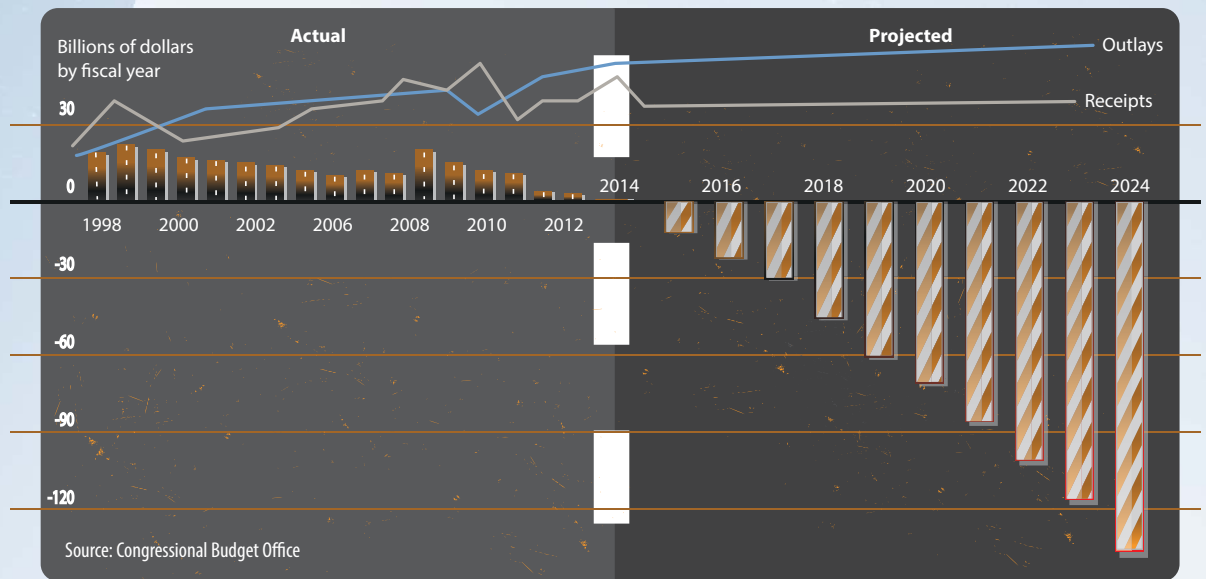
BACKGROUND

Wisconsin is a diverse state with more than 11,000 miles of state and interstate highways; 103,000 miles of county highways, town roads and municipal streets; 81 public transit and shared-ride taxi systems; 131 public-use airports; 3,600 miles of railroad track and 29 commercial ports. This vast network supports an economy which is driven by manufacturing, agriculture and tourism.

While the federal programs that fund the various modes are complex, there are some similarities among these programs:

- 1) most are funded at least in part by user fees, such as a fuel tax,
- 2) documented needs or current expenditures do not line up with the current user fee revenues and
- 3) Congress has been slow to align the user fees to new realities.

Highway Account: Receipts, Outlays and Balance or Shortfall



The graph above depicts estimated cumulative shortfalls in the Highway Account of the Highway Trust Fund through 2024. Projected shortfalls in the Mass Transit Account total \$43 billion during the same time period.

We can't continue to kick the can down the road, runway or waterway.

Whether it is the aviation reauthorization, the Water Resource Development Act, or the upcoming surface transportation reauthorization, TDA recommends:

- Invest in U.S. competitiveness
- Establish clear goals for each program
- Realign user fees to today's realities
- Utilize user fees for their intended purposes—trust fund firewalls
- Provide some certainty on future funding levels
- Manage the use of general fund revenue in this fiscally constrained environment
- Streamline the process to reduce project costs
- Permit states and other organizations flexibility to fund their share of the cost

Time is running out...

➡ Highways & Transit

Wisconsin has a significant transportation funding shortfall, \$6 billion over the next 10 years just to preserve existing service, according to the Wisconsin Transportation Finance & Policy Commission. That shortfall becomes even larger if federal funding declines. And there is reason for concern. Federal Highway Trust Fund revenues are insufficient to cover program expenditures, which has necessitated \$56 billion in transfers from the general fund since 2008.

TDA POSITION

- **Act now.** The Highway Trust Fund is expected to run short of funds before the end of fiscal year (FY) 2014 and the expiration of MAP-21. This could slow reimbursements to state transportation departments and preclude new projects in FY 2015.
- **Plan for the future.** TDA believes in the user-pays concept and urges Congress to facilitate a rapid transition to a user fee that is not dependent on the type of fuel powering the vehicle, possibly expanded tolling or a vehicle-miles-traveled fee.
- **Fund the federal highway and transit programs** through the 2015 appropriation process at amounts at least equal to current year levels.

MAP-21, the current surface transportation reauthorization, expires September 30, 2014.

Wisconsin receives annually about \$710 million for highways and \$80 million for transit under MAP-21.

➡ Aviation

Wisconsin airports and their associated activities are assets to the communities that they serve, generating approximately \$7 billion in economic activity annually and supporting more than 90,000 jobs. Wisconsin's aviation industry accommodates about 5.5 million passengers and approximately 110 million pounds of cargo each year.

TDA POSITION

- **Appropriate for FY 2015** up to the levels included in the current reauthorization.
- **Begin work now** on the next air reauthorization. Continuing resolutions do not provide the kind of certainty necessary for long-term planning and investment.

The current FAA reauthorization expires September 30, 2015.

Airline passenger travel is forecast to nearly double over the next 20 years and cargo traffic to more than double.

➡ Ports, Harbors, and Waterways

Wisconsin's 29 commercial ports offer manufacturers and shippers a major transportation alternative many states cannot provide. Each year, Wisconsin ports handle over 40 million tons of cargo valued at over \$8 billion. According to a 2010 economic overview, the state's ports support almost 10,000 jobs and annually generate more than \$1.6 billion in economic output.

TDA POSITION

- **Provide adequate funds** to address the backlog of dredging projects at Wisconsin ports.
- **Support investment** in our ports and inland waterways as an important part of a national freight policy. Urge final passage of a compromise WR(R)DA.
- **Support national standards** for the treatment of ships' ballast water to prevent the introduction and spread of aquatic invasive species.
- **Ensure funds collected** for harbor maintenance are spent for their intended purpose.

Approximately \$8 billion collected from maritime commerce has not been used to maintain harbors.

In 2012, 81% of U.S. agricultural exports and 72% of imports were waterborne.

The last Water Resources Development Act (WRDA) was enacted in 2007.

➡ Freight Rail

Wisconsin is served by 12 railroads including four major (Class I) railroads. Each year these railroads haul more than 190 million tons of cargo. Freight rail volumes in Wisconsin are projected to increase 60 percent by 2030.

TDA POSITION

- **Support balanced policies** that continue to allow railroads to invest in their infrastructure. Freight rail is a vital partner in moving the nation's economy.

➡ Passenger Rail

Ridership on the Hiawatha has grown from less than 300,000 in 1989 to about 820,000 in 2013. Service has also grown from two daily round trips in the beginning to seven daily round trips Monday to Saturday and six round trips on Sunday. The Hiawatha service is the sixth busiest corridor for Amtrak.

TDA POSITION

- **Oppose any cuts** or changes to Amtrak funding that might jeopardize the future of the successful Hiawatha line.



It's how we get there

**wings, rails,
roads or waves**

From the buses in Racine to the Port of Green Bay to the rail lines in Superior to the Waukesha County Airport to the roads we use every day, **Wisconsin's transportation network is the key to connecting goods to market and people to jobs.**

Founded in 1971, the Transportation Development Association of Wisconsin promotes the vitality and safety of the state's transportation system, including public transit systems, public-use and general aviation airports, railroads, commercial ports, and roads. TDA's members comprise business, labor, units of government, regional planning organizations, as well as individuals.



www.tdawisconsin.org and Twitter handle @TDAWisconsin