

Federal Transportation Revenue Situation

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(AASHTO)**

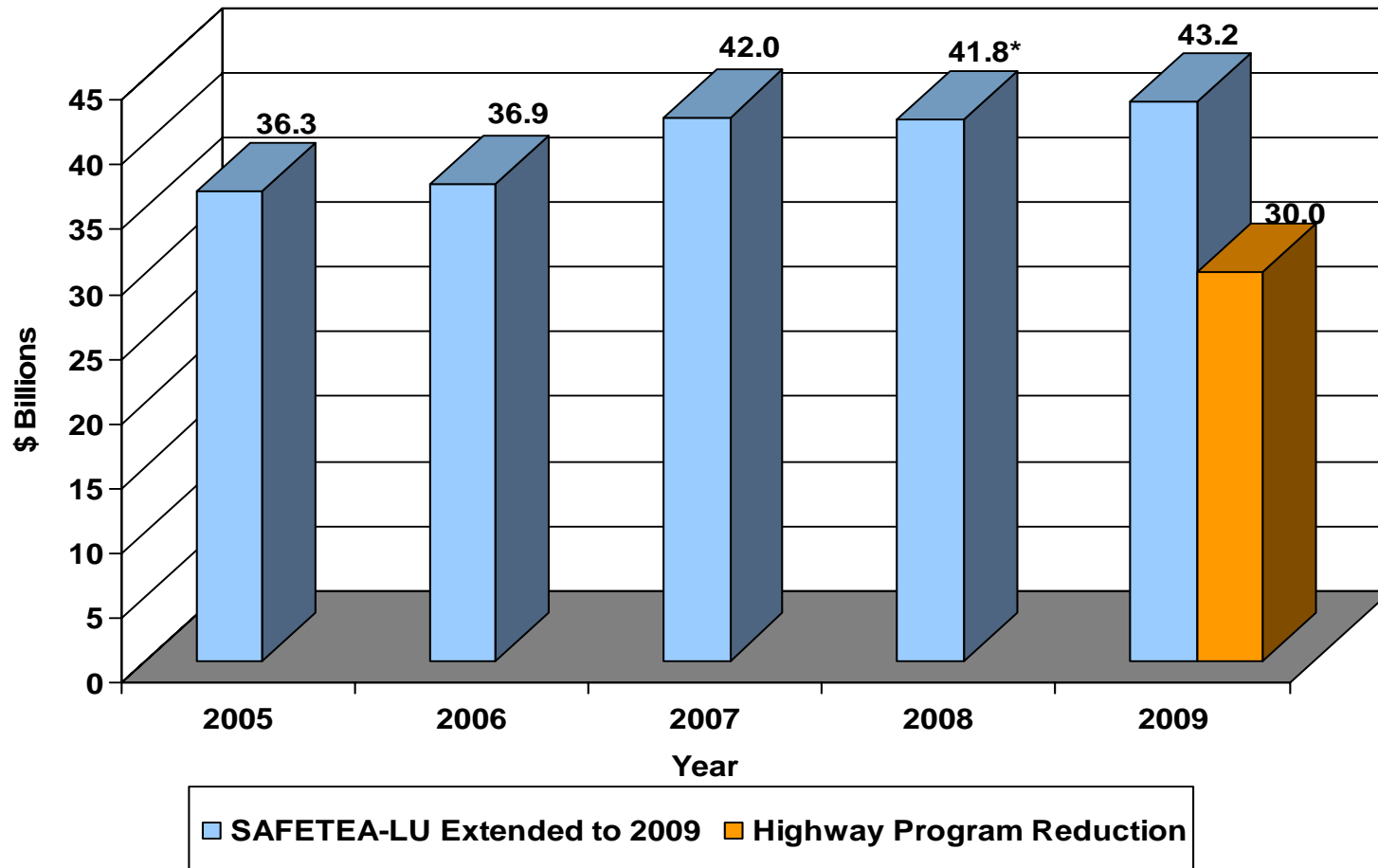
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Objectives

- To provide the Board with an update on the National funding issues
- To provide you with information on the bullet we just dodged this past week
- To briefly look at what has to happen in order to have viable Federal funding in 2010 and beyond

Problem 1: An Immediate Funding Crisis

\$13.2 Billion Cut in Federal Highway Program Obligations if Congress Takes No Corrective Action

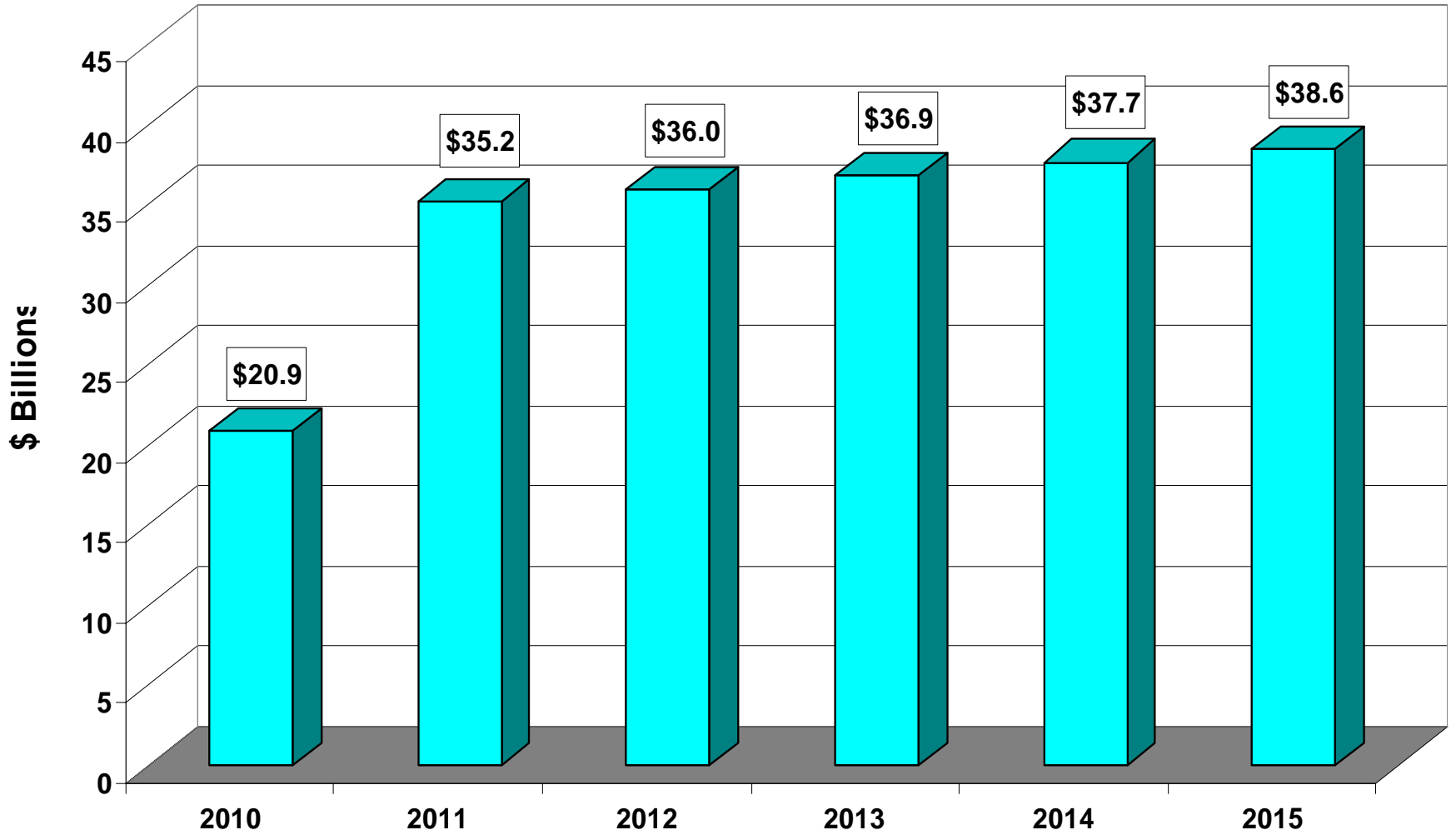


*Obligation level proposed in the President's 2008 budget request, which includes a suspension of \$631 million in RABA funding.

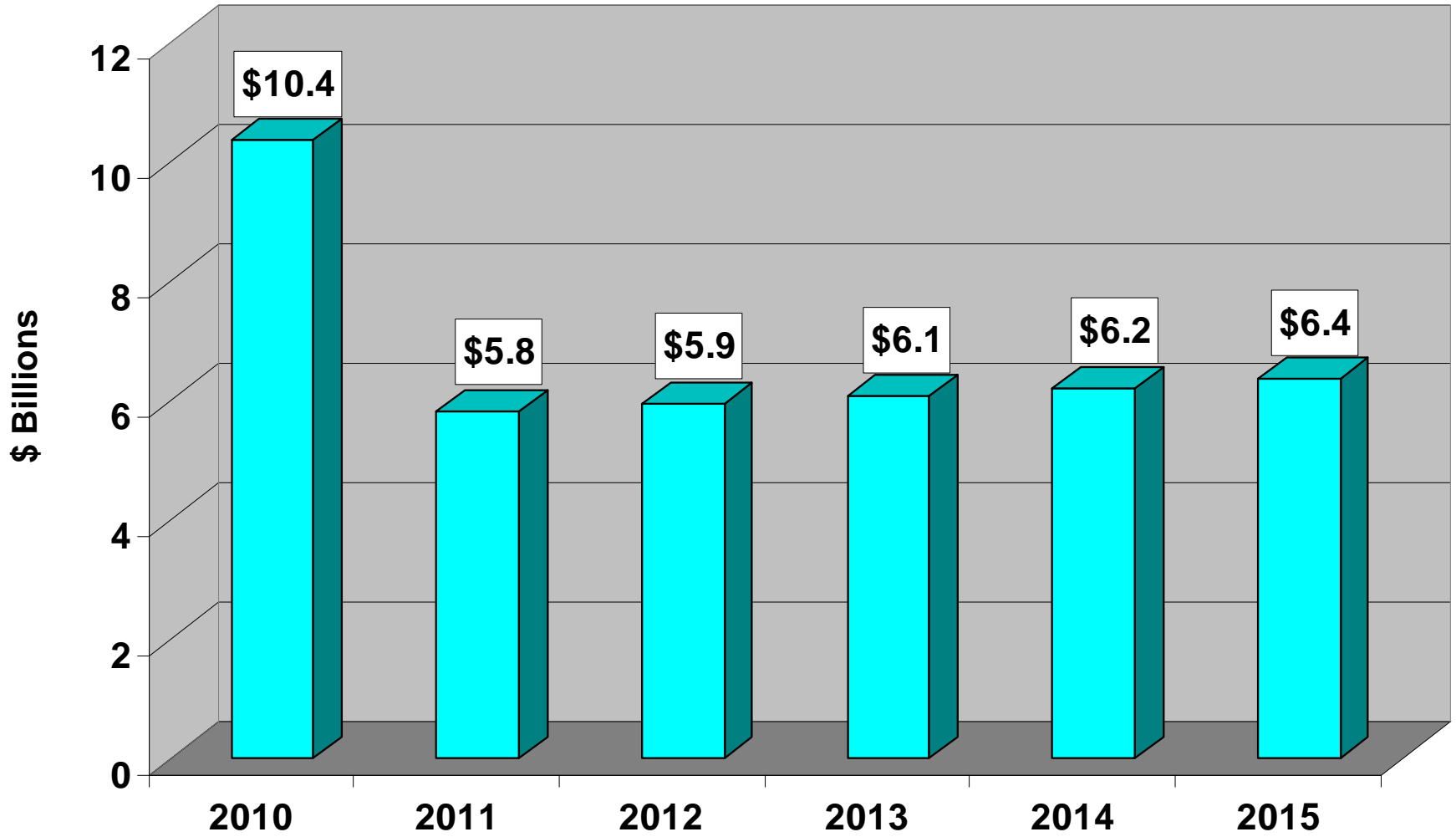
Current Events

- The Congress acted last week to avert a shutdown in payments to the States adding \$8 billion to the HTF
- While it was critical to act we just put a band-aid on a hemorrhage
- We need to understand that any fix is simply a short-term solution
- Difficult choices are necessary in the authorization legislation

Reduced Highway Program Levels Beyond 2009

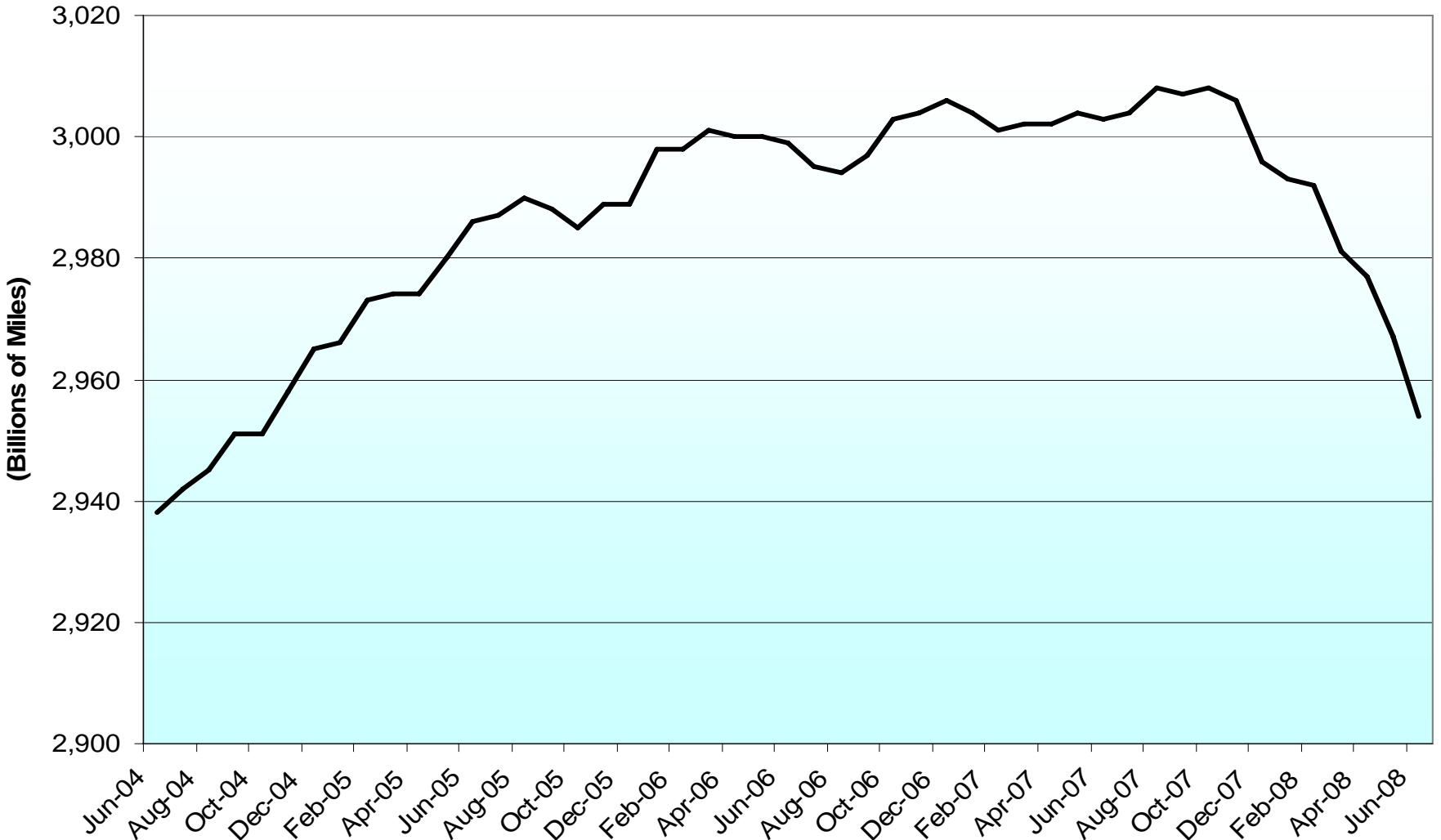


Reduced Transit Program Levels Beyond 2009



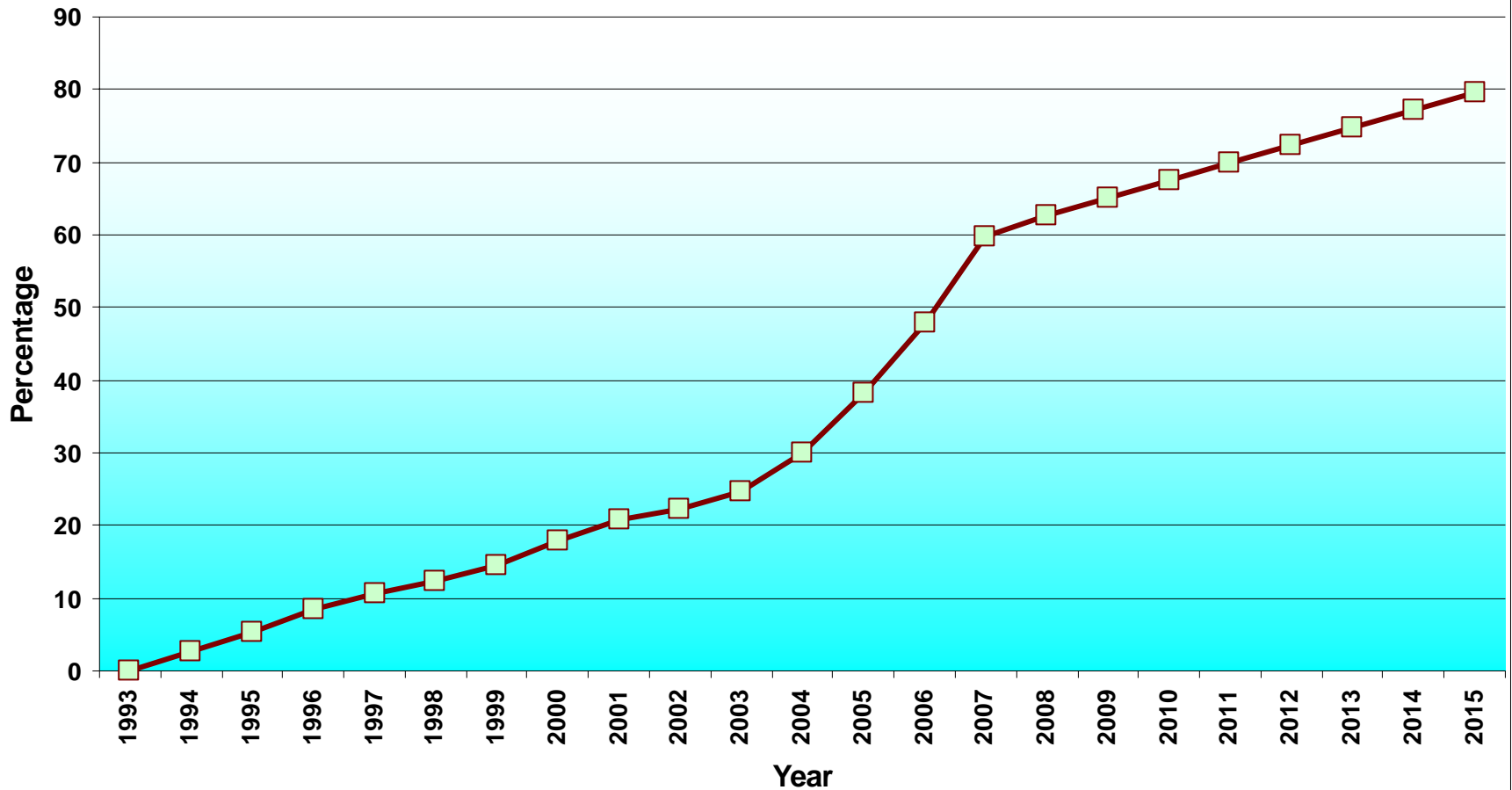
Decline in Vehicle Miles Traveled

Vehicle Miles Traveled (June 2004 to June 2008)



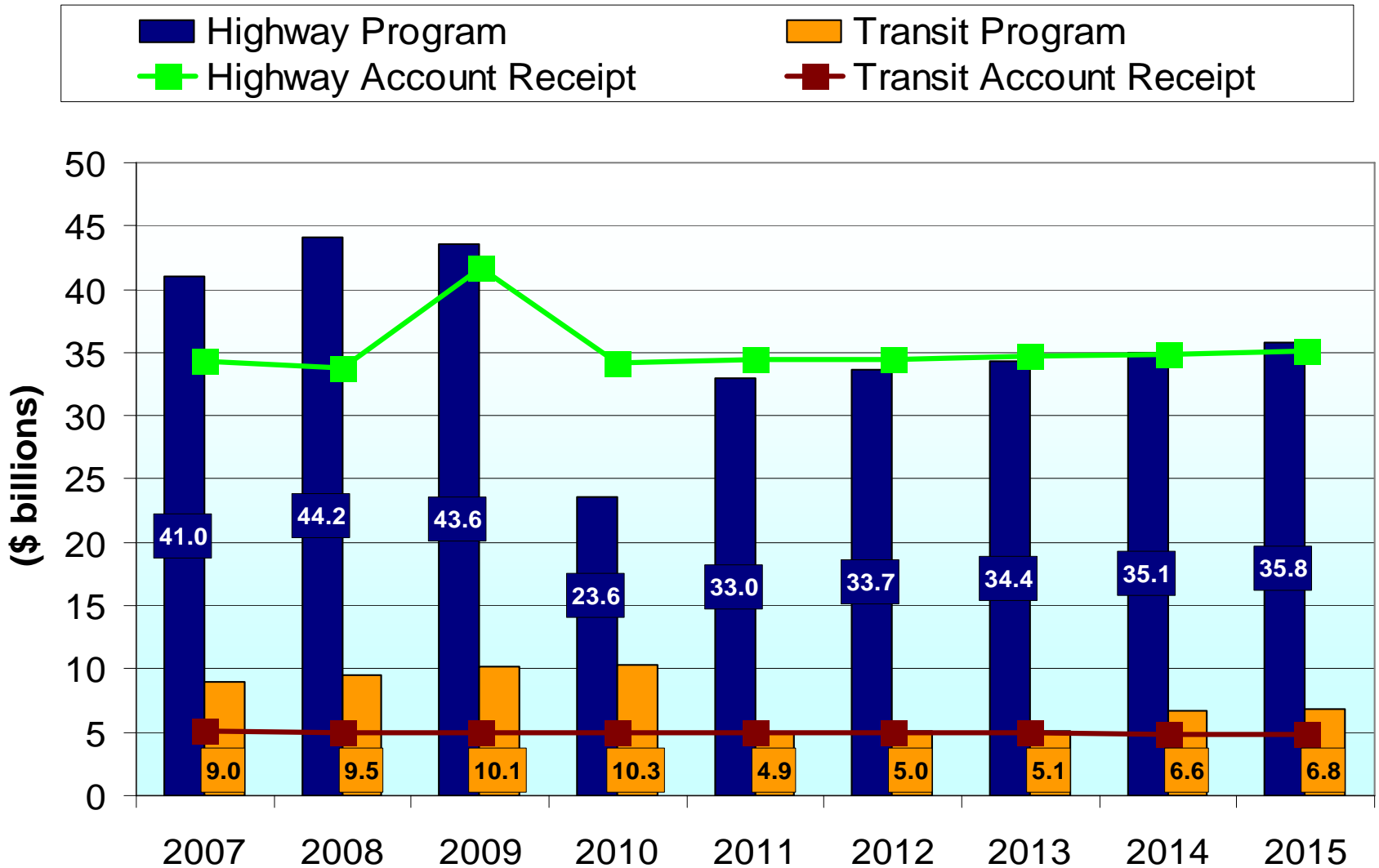
The Impact of Inflation

Percentage Reduction in Purchasing Power Between 1993-2015



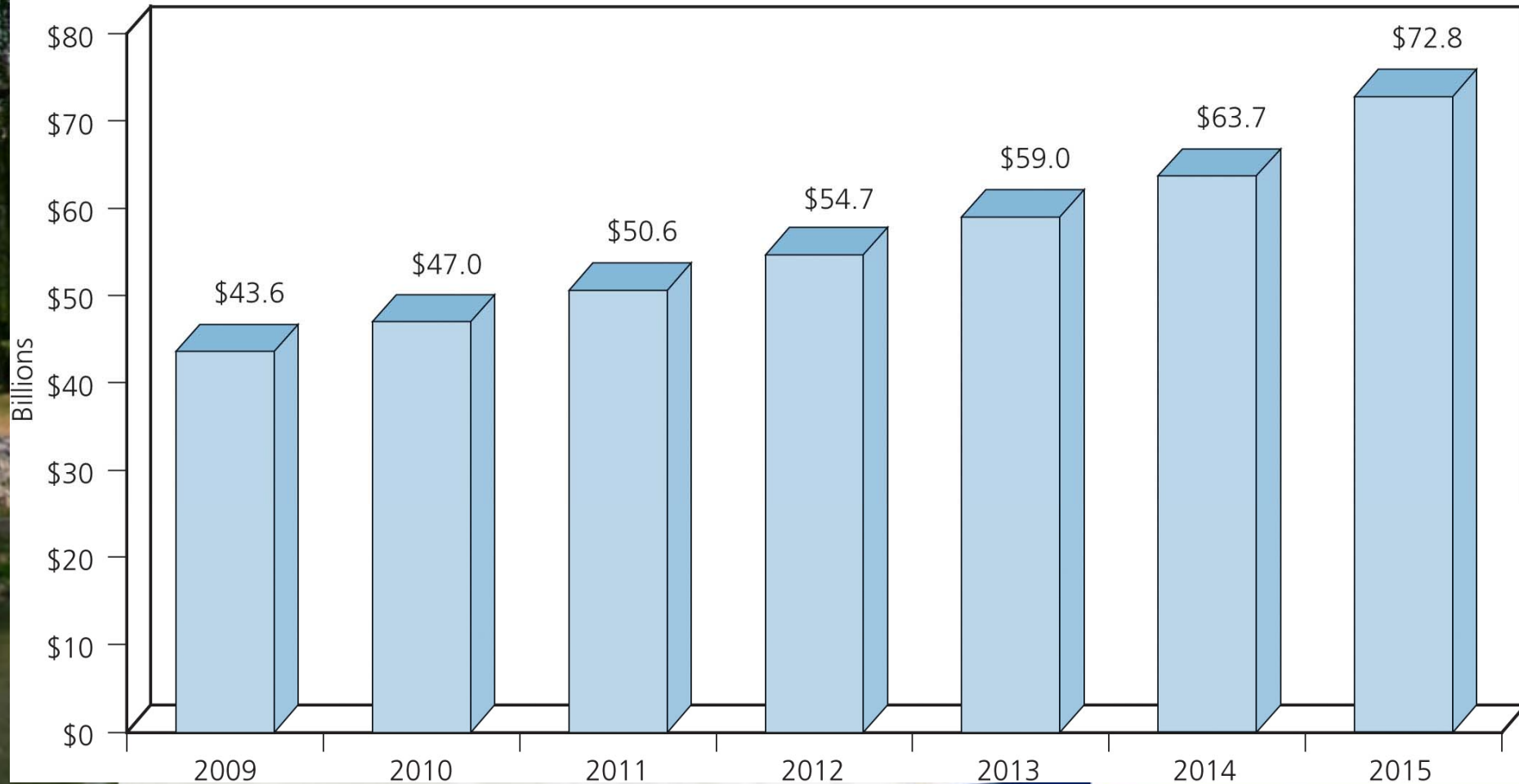
The Revenue Picture

Highway and Transit Program Level and Trust Fund Revenue



Restoring Purchasing Power

Federal Highway Program Funding Needed to Restore Program Purchasing Power



Some Highway Trust Fund Options to Increase Revenues

Highway Program Level Made Possible 2015

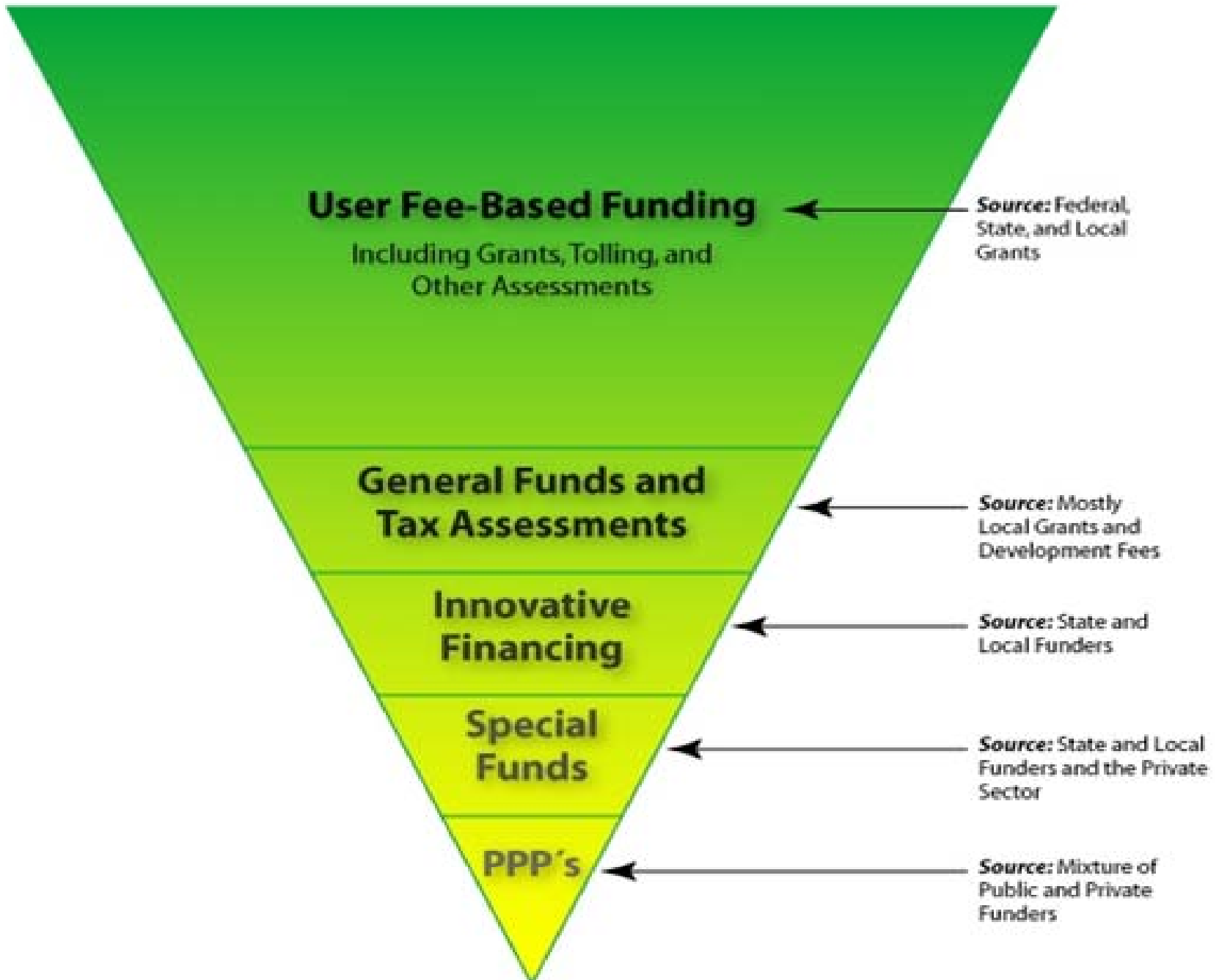
- 10 Cent Rate Increase \$75 billion
- 10 Cent Rate Increase, Indexed to CPI \$82 billion
- Five Percent Sales Tax on Gas \$85 billion
(if fuel prices increase 4% annually)
- 14.2 Percent Sales Tax on Gas \$95 billion
in lieu of 28.4 Cent Gas Tax
(if fuel prices increase 4% annually)

All Levels of Government Must Continue to Fund Their Share

National Capital Investment in Highways (billions)

	2010	2015	Funding Increase Needed	New Toll Revenue	Net Required
Federal	\$43	\$75	\$32		\$32
State/ Local	\$52	\$95	\$43	\$8	\$35
Total	\$95	\$170	\$75	\$8	\$67

Funding for Infrastructure Projects



Questions?

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