

Ensure Adequate Funding for Needed Infrastructure Investments

What's Best for Michigan

Increase the level of federal transportation investment to maintain and improve system operations, safety and mobility, provide more transportation options, and improve our global competitiveness.

Identify and enact new revenue to allow a higher level of investment to help meet our growing transportation needs, and to allow a modest balance to build up in the HTF to avert the potential for future program cuts.

Restore the purchasing power of the dedicated revenues supporting the HTF to 1993 levels with revenue sources indexed to account for future inflation of construction costs.

Diversify the revenue sources supporting the Mass Transit Account and promote the development of new, innovative financing mechanisms to supplement current revenue streams (i.e., public private partnerships, tolling, congestion pricing, and revenue generated from changes in federal energy and climate change policies).

Preserve, at a minimum, the current 20% general fund contribution necessary to support the federal transit program. In addition, continue to credit the Mass Transit Account with 20% of each future year increase in the motor fuel tax (or successor).

Why

Unless new revenue is identified immediately, the federal highway program will need to be cut by \$20 billion in FY 2010. The federal transit program will face a similar fate in FY 2011 when the investment level will need to be more than cut in half.

The current level of federal funding is simply insufficient to meet the needs of the transportation system. This point has been shown over and over in the last few years through research and reports as shown in the table that follows.

Report	Total Capital Funding from all Sources	Estimated Annual Investment Needs 2008-2035	Estimated Federal Share of Investment Needs
FHWA Conditions and Performance	\$76 Billion	\$189 Billion	\$85 billion
National Surface Transportation Infrastructure Financing Commission	\$76 Billion	\$214 Billion	\$96 billion
National Surface Transportation Policy and Revenue Study Commission	\$76 Billion	\$262 Billion	\$118 billion

Source: "Paying Our Way" Report of the National Surface Transportation Infrastructure Financing Commission

These needs estimates were reinforced in a state-level study examining the needs of the transportation system in Michigan. The study found annual infrastructure needs of between \$7 and \$14 billion.

Investment levels need to increase over time to help meet these documented needs.

The federal government should continue to play a significant role in investing and maintaining an integrated national transportation system.