

MICHIGAN STATE TRANSPORTATION COMMISSION
RESOLUTION 2014-01

RESOLUTION TO URGE THE MICHIGAN STATE LEGISLATURE TO TAKE ACTION TO
ADDRESS THE PROJECTED STATE TRANSPORTATION FUNDING SHORTFALL

Whereas, Michigan's transportation infrastructure is an important national asset, carrying 26% of international land-based trade and 49% of international rail trade between the United States and Canada; and

Whereas, demands on the transportation system are projected to increase dramatically in the years ahead, with projected increases in passenger and freight traffic, resulting in up to 13% of state trunkline miles at, or approaching, congested conditions by 2040; and

Whereas, at current funding levels, less than 50% of trunkline will be in good/fair condition by 2020; and

Whereas, since the gasoline tax was last increased to 19 cents per gallon in 1997, inflation has eroded the purchasing power of the tax to the equivalent of 13 cents per gallon; and

Whereas, while the cumulative inflation rate since the year 2000 has totaled nearly 40%, state revenue available for investment in aviation, highways, and transit remains at roughly the same level today as it was in the year 2000; and

Whereas, by continuing to underinvest in transportation infrastructure, our system of roads and bridges loses nearly \$3 million in value each day, or \$1 billion per year; and

Whereas, projected increases in the fuel economy of the U.S. vehicle fleet threaten to further diminish motor-fuel tax revenues; and

Whereas, the current condition of Michigan's infrastructure imposes an average cost of \$539 per year per driver through time lost in traffic, wasted fuel, and damage to vehicles; and

Whereas, MDOT projects it will not have enough state transportation revenue to match all available federal highway funding beginning in 2016, and this state transportation revenue shortfall will result in the loss of as much as \$750 million in federal aid annually; and

Whereas, many counties in Michigan have decided to turn paved roads into gravel roads because they simply do not have the funding necessary to maintain the pavement; and

Whereas, investing in transportation is a proven way to put people to work, with studies indicating that 12,267 jobs are supported by investing \$1,187 million, which translates to one job created or sustained for every \$96,763 invested in the highway program. For the transit program,

5,053 jobs are supported by investing \$270.72 million, which translates to one job for every \$53,576 invested in transit; and

Whereas, a permanent solution for ensuring sufficient funds are available to match federal aid for Michigan's transit system is needed to ensure that the state can properly respond to the opportunities presented by increased federal support for projects and agencies around the state; and

Whereas, a combination of factors including reductions in state operating funds have resulted in service level reductions at local transit agencies around the state or a significant increase in local contributions just to maintain existing service levels; therefore be it

Resolved that the Michigan State Transportation Commission urges the State Legislature to immediately take action to increase state transportation revenue to ensure that transportation agencies across the state have the resources necessary to capture all available federal aid, to prevent the further loss of value from Michigan's investment in transportation infrastructure, to improve state and local transportation systems, and to efficiently facilitate international trade and job creation.

Adopted by the Michigan State Transportation Commission on December 4, 2014.

Signed Original on File

Jerrold M. Jung, Chair
Michigan State Transportation Commission