Thank you for having me here today to discuss the current state of America’s transportation infrastructure, and the potential implications of our nation’s continued lack of action to fix a growing problem you may have never heard of – the insolvency of the federal transportation funding source.

My name is Greg DiLoreto and as the past president of the American Society of Civil Engineers, I’m here on behalf of 145,000 members of the civil engineering profession who have found this problem to be concerning and, frankly, avoidable.

ASCE has been tracking America’s infrastructure issues since 1998 with our first Report Card for America’s Infrastructure. A nationally recognized indicator report, the Report Card provides A to F grades for 16 sectors of infrastructure that drive the U.S.’ economic competitiveness. In the 2013 Report Card, the GPA was only a D+ showing both its age and its need to be overhauled to better meet today’s needs.

While infrastructure is often described as a public good, it is also an investment in the future of our country. In order to stay economically competitive, we have to maintain our infrastructure and ensure it can meet the demands of our economy.
America’s cumulative GPA for infrastructure rose slightly to a D+ from our last report card in 2009, as six sectors showed improvement. However, a D+ is certainly not cause for celebration. Our underperforming infrastructure is a drag on the nation’s economy, leading to lower GDP and fewer jobs for American families.

The Report Card highlights the fact that, like everything, infrastructure has a lifespan. Good maintenance can extend that lifespan, but not forever, and a lack of maintenance can shorten it. This is not something that happens dramatically overnight but a gradual worsening over time.

Far too many of our infrastructure systems lack the funding needed for proper maintenance, and we continue to see categories that simply are not seeing the investment to improve day to day performance and save money in the long-term. The backlog of projects to maintain and modernize our infrastructure keeps growing.

We look at condition, capacity, funding, future need, O&M, public safety, resilience, and innovation; and in almost every category there is work to be done.

Since the first Report Card was issued nearly 15 years ago, the grades have been near failing, averaging only a grade of D, due to delayed maintenance and underinvestment across most categories.
In our 2013 Report Card, we estimate that across all 16 categories of infrastructure, the total investment needed by 2020 is approximately $3.6 trillion dollars.

After estimated likely spending, we are left with a shortfall of $1.6 trillion dollars by 2020. That’s just over $200 billion dollars a year.

• This number draws from industry projections of needs for each of the categories as well as our Failure to Act economic studies.

• A few things to note from this chart –
  - Surface transportation has the largest total needs and the largest funding shortfall at $846 billion, although you will also see that there is a great deal of funding set aside each year
  - Water and wastewater has a much smaller total funding shortfall, but estimated funding covers only about one-third of the total needs
  - We are assuming here that this is the total investment needed to get to a grade of “B” or a state of good repair

• These numbers looks out to 2020 – covering 8 years of infrastructure investment needs which is an appropriate time for planning and action.
Let me share just few highlights.

• Last year alone, deficient surface transportation infrastructure cost American households and business almost $130 billion dollars. If investments are not made soon, those costs will grow exponentially.

• In less than 10 years, deficient infrastructure will cost businesses an added 430 billion dollars in transportation costs, driving up expenses and hurting profits.

By 2020,

• Exports would be 28 billion dollars lower.
• 870,000 jobs would be lost, most of them high skilled, high paying jobs.
• Household income would fall by more than $7,000.
• And, our GDP would take a hit of almost a trillion dollars.

The report’s conclusions are sobering. Clearly, failing to invest in our roads, bridges and transit systems has a dramatic negative impact on America’s economy.
So you might ask, “Why do these grades matter?” What does a D+ mean for our country? What we have found is that America’s infrastructure grades have an impact on our bottom line.

Whether the inland waterway system, our ports, or the electrical grid – America is connected by infrastructure. And we know the consequences of neglecting these issues plays out every day. We waste hours sitting in traffic, power outages become more frequent, and we lose billions of gallons of water through leaky pipes – and these impacts cost us money.

ASCE recently completed a series of studies called the “Failure to Act: The Impact of Current Infrastructure Investment on America’s Economic Growth,” which shows the opportunity cost America is now facing if we continue to let the grades lag in the Cs and Ds. These studies look at current funding levels for major infrastructure sectors, projected to the year 2020, to see what, if any, effect this will have on household income, jobs, GDP, and trade.

We found that if we continue on the same path, we face the following effects by 2020:

A projected loss of $3.1 trillion in GDP, almost the equivalent of the 2011 GDP of France
A $1.1 trillion decline in U.S. trade value, equivalent to Mexico’s GDP
A loss of 3.5 million jobs in the year 2020 alone, more than the jobs created in the U.S. over the previous 22 months
A $2.4 trillion decline in consumer spending, comparable to Brazil’s GDP
A drop of $3,100 in disposable income per year, per household

And while the investment needed may seem daunting, the real story of this report is that we can’t afford not to.

When our roads prevent trucks from getting from Point A to Point B to deliver goods, we suffer. When blackouts turn off the lights of businesses, we suffer. And when our ports can’t keep pace with the realities of international commerce, we suffer. It hurts our GDP, our ability to create jobs, our disposable income, and our competitiveness with other nations. It also affects our quality of life every day.

Deteriorating and aging infrastructure is not only an inconvenience, but it financially impacts our families, local communities, and our entire country.
For several years, organizations like ASCE and the Congressional Budget Office have been sounding the alarm that America’s bank account for transportation, the Highway Trust Fund, has been on the decline and needed a long-term revenue fix.

Earlier this year, Congress’ lack of willingness to find a long-term revenue fix resulted in a drop in the Highway Trust Fund to a point where no checks were going to go out to states to fix the nation’s network of roads and bridges.

Waiting until almost the last possible minute this summer before sending the Highway Trust Fund over a financial cliff, Congress pulled together just enough money to avert the crisis and keep the Fund solvent until May 2015.

Our current outlook is that Congress needs to both reauthorize federal transportation programs and provide additional revenue into the HTF before the end of next May if this crisis is to be averted.

Essentially, we need Congress to get to work NOW in 2014 if both the policy and the money are going to be agreed upon by next May.
The insolvency of the Highway Trust Fund will directly impact each state’s DOT.

Federal funds, on average, provide 52% of annual State DOT capital outlays for highway and bridge projects.

If this funding were to not be available to your state, you can see how this may be problematic to every DOT in the country.
ASCE believes that we need to focus on three areas to improve America’s transportation network:

1. Continue with meaningful reforms started with the authorization of the federal surface transportation legislation, Moving Ahead for Progress in the 21st Century Act (MAP-21).
2. Expand infrastructure investment and find a long-term AND sustainable revenue solution for the Highway Trust Fund.
3. Position our nation to build strategically for the future.
MAP-21 Reauthorization

• MAP-21:
  – Transformative piece of legislation
  – Transferred $21 billion into HTF
  – Highway/Transit Investment Preserved in FY 2013 and FY 2014
  – Expires September 30, 2014

• ASCE priorities for reauthorization are REFORM, INVEST, BUILD FOR THE FUTURE

• ASCE wants a multi-year bill with long-term revenue solution
MAP-21, Congressional legislation that governs transportation, will expire on September 30, 2014

America’s bank account for transportation, the Highway Trust Fund, that pays states to upkeep the nation’s major roads will be pushed to insolvency by August 2014 without changes in the reauthorization of the federal transportation program.

This is a very significant issues that Congress has pushed down the road several times they’ve reauthorized the federal program, but due to the insolvency of the Trust Fund, this is no longer possible for them to do.
What our highways, bridges and other systems desperately need is more revenue, not a new financing bureaucracy. The private investment expected to be leveraged through an infrastructure bank must eventually be repaid, either through taxes or fees. However, in our current political climate more taxes are unlikely, and no one in Congress wants to talk about increasing the gas tax which is really just a user fee collected at the pump instead of the toll booth. The unspoken reality of U.S. infrastructure investment is that, one way or the other, the users and beneficiaries of these systems (all of us) will have to pay more for the privilege. Until our elected officials muster the courage to share that fact with the American people, talk of an infrastructure bank as the answer to the nation's chronic underfunding of infrastructure is more a distraction than a solution.
In order to raise the profile of this issue, in June, ASCE has launched a public campaign to Fix the Trust Fund at www.fixthetrustfund.org.

The campaign explains the problem America’s transportation system is facing using videos and infographics.

Anyone – from your sister to your neighbor – can use this website to help tell Congress that they want them to get to work on this issue.
Respond to Key Alerts by ASCE and #FixtheTrustFund

- Legislative Alerts are easy ways to ask ASCE members to contact a legislator about an issue
- Gives sample text that you can edit so you can add your own story
- Contacts both Federal and/or State legislators depending on the issues
Use Social Media for Keeping Your Section Informed

blogs.asce.org/category/save-americas-infrastructure/

facebook.com/SaveUSAInfrastructure

@ASCEGovRel

Use your social network
Congress Acts to Avert Highway Trust Fund Crisis

Congress left no time to spare in passing a short-term funding patch for surface transportation programs just as the U.S. Department of Transportation (USDOT) was scheduled to reduce reimbursements to states. Despite the back-and-forth battle with lobbying votes between the House and Senate, Congress
Thank you for your time and I hope you will join us in being an advocate on this issue.

If you have any questions, please email us or I’d be glad to answer them.
“Our roads, our bridges......
It’s a core function of government.
But it’s also
an economic development issue.”

-South Carolina Governor Nikki Haley

#FixTheTrustFund
“If the speaker of the House, the Republican leader in the Senate, all the Democrats, all say that this is important to do, Why aren’t we doing it? What’s holding us back? Let’s get moving and put America back to work,”

-President Obama on Infrastructure

#FixTheTrustFund
How do we boil this down?

• The clock is ticking—our federal funding for roads, bridges, and transit—the Highway Trust Fund—will be insolvent by September or sooner.

• If we allow the Fund to run dry, the U.S. economy will lose jobs, projects will stop, and productivity will come to a halt.

• We must fix this problem now with a long-term, sustainable revenue solution to keep America competitive.

• Here’s my personal story to illustrate this problem....
I don’t have much time...

1 min

– Become a Key Contact to Take Action on Infrastructure Issues
– Join the “Save America’s Infrastructure” Facebook group

5 min

– Email the Report Card to your Member of Congress & tell them about the need to Fix the Trust Fund
– Share Your State’s Facts on Facebook, LinkedIn or Twitter
– Send the State Report Card link to your State Legislators

2 hrs

– Set up a meeting with an elected leader or their staff
– Give a “Behind the Scenes” Tour of Your Local Infrastructure
– Offer to sign up your kid’s class for a tour of an infrastructure facility
– Request a Report Card Speaker for a Community Presentation
– Tour a new project in your area or go to a community meeting

2013 REPORT CARD FOR AMERICA’S INFRASTRUCTURE ASCE

If you were to
And finally, remember each of us can be an ambassador for infrastructure locally.

Here is a quick list of organizations who would be interested in hearing more about your community’s infrastructure:

- Chambers of Commerce
- Local Unions
- City Council
- Rotary Clubs
- Kiwanis Service Clubs
- Girl/Boy Scouts
- Parent Teacher Organizations
- Neighborhood Associations
- University Student Government
- Religious organizations
- Political Organizations
Please share your expertise and your passion with your community.
In closing, our roads, bridges, water systems, electric grid and other infrastructure systems are the foundation that connect the nation’s businesses, communities and people. They drive our economy and improve our quality of life. For the U.S. economy to be the most competitive in the world, we need a world-class infrastructure system.

In the short term, we need a national commitment to bring existing infrastructure into a state of good repair. In the long term, we must modernize and build in a targeted and strategic manner.

The time for us to act and get involved is now. We need to call on you and all our elected officials to make infrastructure a priority. We need engaged leadership at all levels of government and a national commitment to fix our infrastructure. Only then will we see a report card that we can truly be proud of.

Thank you.