STATEMENT BY THE HONORABLE BRIAN C. WAHLER, MAYOR,
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NEW JERSEY STATE LEAGUE OF MUNICIPALITIES
PRESENTED TO THE UNITED STATES SENATE COMMERCE, SCIENCE, AND TRANSPORTATION COMMITTEE
SUBCOMMITTEE ON SURFACE TRANSPORTATION AND MERCHANT MARINE INFRASTRUCTURE, SAFETY AND SECURITY
TUESDAY, MAY 5, 2015
10:00 A.M.
ROOM 253
RUSSELL SENATE OFFICE BUILDING
WASHINGTON, D.C.

In June of 1996, the American Highway Users Association issued a report, “40 Years of the US Interstate Highway System: An Analysis. The Best Investment A Nation Ever Made.” That report noted “It is not an exaggeration, but a simple statement of fact, that the interstate highway system is an engine that has driven 40 years of unprecedented prosperity and positioned the United States to remain the world's pre-eminent power into the 21st century.”

It was estimated that the total construction cost of the interstate highway system, through 1995, was $329 billion in 1996 dollars ($58.5 billion in 1957 dollars). It was conceived as a "pay as you go" system that would rely primarily on federally imposed user fees on motor fuels --- the federal user fee per gallon of gasoline was increased by one cent. That federal user fees provided 90 percent of the cost of construction with the balance provided primarily by state user fees.

For that investment, the nation as a whole reaped a direct economic productivity benefit of at least $6 for each $1 spent in construction. And that's just the beginning --- there were additional benefits such as higher employment rates and greater economic opportunity that could not be quantified.

The report noted that in those first 40 years, the Interstate system had:

- enriched the quality of life for virtually every American;
- saved the lives of at least 187,000 people;
- prevented injuries to nearly 12 million people;
- positioned the nation for improved international competitiveness; and
- enhanced national security.

Isn't it scary to think what our Nation would have looked like in 1996, if President Eisenhower and our leaders in Congress in 1956 had not made this critical investment because of a fear that the raised fuel fee would anger voters?

Let's fast forward 18 years from the1996 review to July, 2014, when a report was released by the National Economic Council and the President's Council of Economic Advisors – "An Economic Analysis of Transportation Infrastructure Investment."

That report stated:

- Today (2014) there are more than 4 million miles of road, 600,000 bridges, and 3,000 transit providers in the U.S. And yet, over the past 20 years, total federal, state, and local investment in transportation has fallen as a share of GDP – while population, congestion, and maintenance backlogs have increased.
- The U.S. lags behind many of its overseas competitors in transportation infrastructure investment. In the most recent World Economic Forum rankings, the U.S. had in less than a decade fallen from 7th to 18th overall in the quality of our roads.
- 65 percent of America's major roads are rated in less than good condition, one in four bridges require significant repair or cannot handle today's traffic, and forty five percent of Americans lack access to transit.
- Americans spend 5.5 billion hours in traffic each year, costing families more than $120 billion in extra fuel and lost time.
- American businesses pay $27 billion a year in extra freight transportation costs, increasing shipping delays and raising prices on everyday products.
- Underinvestment impacts safety too. There were more than 33,000 traffic fatalities in 2013 alone and roadway conditions are a significant factor in approximately one-third of traffic fatalities.

Citing recent research, the report noted that transportation investments affect not only the level of economic output but geographic distribution of economic activity. In other words, like a Field of Dreams, if you build it, they will come. And they will bring their checkbooks with them.

Reduced transportation costs, produced by investments in infrastructure in the past, facilitated the growth of cities across the United States. Chicago, for example, grew in size and importance because it served as a central hub between the fruitful plains of the mid-west and the markets of the northeast and Europe.

Infrastructure investment can also raise property values, particularly if these investments bring about improvements in local living standards (including shorter commute times and greater proximity to desirable amenities).

A strong and efficient infrastructure network is critical to maintaining US competitiveness in a global marketplace. However, in recent years, the United States has fallen considerably behind other advanced countries when it comes to total transportation investment.

Taken together, total spending as a share of GDP has been falling, from about 3 percent of GDP in 1962 to only 1.4 percent today. That's more than a 50 percent decline. These investment flows show up in business leader evaluations of the United States as a place to do business. For example, in the World Economic Forum's latest Global Competitive Index, the US ranked 10th for transportation, 18th for roads, and 19th for quality of overall infrastructure—well below other advanced economies. We are well behind countries including Poland, Estonia, Hungary, Spain and Greece.

If we, in the U.S., want to remain an economic leader, it is obvious that we need to reverse these trends. If we want the best for our people, our businesses and the future of our children, we need to imitate the intelligence and the integrity exhibited by President Eisenhower and our leaders in Congress in 1956.

Let me tell you a little bit about New Jersey's Transportation Infrastructure.

Just last year, the American Society of Civil Engineers (ASCE) reported that New Jersey has 39,272 centerline miles of public roads. We have 6,822 miles of major roads, 35% of which are, according to that report, in poor condition. 651 of the 6,554 bridges in New Jersey (9.9%) are considered structurally deficient and 1,717 (26.2%) are considered functionally obsolete. That report also estimated that driving on roads in need of repair costs New Jersey motorists $3.476 billion a year in extra vehicle repairs and operating costs – $601 per motorist, and that 66% of New Jersey's roads are in poor or mediocre condition.

But it's not just New Jersey natives and New Jersey businesses using those roads. Our ports handled 152.7 short tons of cargo in 2012, ranking us 4th in the Nation. The freight that wasn't carried to customers throughout the Eastern half of the Nation by our 18 freight railroads on their 983 miles of rail, also ended up on those roads. So too did any freight trucked between New York City and Philadelphia – or between Boston and Baltimore – or almost anywhere between Miami and Maine.

For these reasons, New Jersey roads carry more vehicles per mile per day than those in any other State. And the wear and tear those roads experience would be even worse if not for the fact that New Jersey Transit trains carry 295,000 riders every day. Our Light Rail system takes 82,000 commuters off the roads. And our public bus system, including NJ Transit and contract busses, carries over 570,000 riders every work day of the week.

Historically, New Jersey was the Crossroads of the Revolution. Today, we are host to a number of America's vital economic and commercial arteries.

Our State's Department of Transportation (DOT) reports that New Jersey's municipalities are responsible for 64 percent (28,539 center line road miles) of our roads. County governments are responsible for another 22 percent (6,649 center line road miles). Together, local governments are responsible for 39 percent of our bridges. Local roadways and bridges carry about 55 percent of all traffic.

Local officials know that investments in these assets must be made. Failure to do so can compromise the safety of the public, the economic vitality of our communities and the security of our neighborhoods.

Municipalities and counties, throughout the Nation, collectively own 78 percent of the nation's road miles, 43 percent of the nation's federal---aid highway miles, 50 percent of the nation's bridge inventory, and operate a majority of the nation's transit systems. According to a 2015 Pew Charitable Trusts analysis, cities and counties collectively spend $75 billion annually on highways and transit, just four percent less than what states are investing.

At the New Jersey League of Municipalities, it is our firm belief that local elected officials, who are responsible for the vast majority of the system, are best situated to direct available transportation resources to projects that best serve their communities and regions.

Despite owning a majority share of our country's transportation network and making a substantial investment in surface transportation infrastructure, local governments and their metropolitan and regional planning organizations receive a relatively small share of overall federal transportation funds. MAP---21 further strained local governments by decreasing – by 30 percent – the amount of highway funds available for the transportation infrastructure they own. Increasing locally available federal transportation funds would have tremendous benefits for the nation's regional economies, without major disruptions to the underlying legislative approaches.

For those reasons, we join with the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, the Association of Metropolitan Planning Organizations, the National Association of Regional Councils and the National Association of Development Organizations to urge you to sub-allocate more funding to local decision---makers and local areas under the Surface Transportation Program, the Transportation Alternatives Program, and the Congestion Mitigation and Air Quality Program. We also seek reaffirmation of longstanding federal commitments to the more than 177,000 federal---aid highway bridges (or "on---system bridges") that are not a part of the designated National Highway System, which lost access to predictable funding after MAP---21 took effect.

The economic case for investment in our long-term infrastructure is clear-- we know it will grow the economy, create good jobs, and position us for long-term growth. The moral case for action is just as plain. Will we leave the costs of disinvestment to our children? What will they say when they write their transportation infrastructure reports, 40 years from now?

This is the month when Congress decides, and the time for action is now.