

Transportation Infrastructure

NACD Position

NACD supports legislative efforts to reform America's aging transportation infrastructure, specifically our rail systems, highways, and bridges. U.S. businesses and our nation's economy depend on safe, efficient, and reliable surface transportation that promotes economic competitiveness. NACD supports:

- Transportation infrastructure proposals that protect small and large businesses and promote business productivity, domestic product growth, job creation, and international competitiveness;
- Long-term public or private sector investments (ex: new bonding mechanisms, infrastructure banks, or public-private partnerships); and
- New transportation standards to protect both businesses and the public from unreasonable and burdensome regulations.

Policy Background

The Highway Trust Fund (HTF) has funded most of the federal surface transportation programs since 1956. The HTF is financed by the 18.4-cents-per-gallon gasoline tax and 24.4-cents-per-gallon diesel fuel tax, which have not been raised since 1993. In 2012, Congress passed the Moving Ahead for Progress in the 21st Century (MAP-21), which authorized \$105 billion, over two years, to fund the federal surface transportation program. While the passage of MAP-21 was needed and long overdue, it addressed only a portion of what is needed to fix America's infrastructure and lacked the long-term investments needed in our transportation infrastructure. MAP-21 expired last September. Congress's inability to pass a new bill created a \$10.8 billion short-term extension of MAP-21 that kept the HTF funded until May 2015.

According to the U.S. Department of Transportation, 170,000 miles of our roads are in poor condition. Internationally, the U.S. currently ranks 12th out of 138 countries for the quality of infrastructure, according to the World Economic Forum. American businesses and our U.S. economy are dependent on surface transportation -- \$1 of every \$10 of the gross domestic product is tied to moving goods and people, and the cost of transportation is growing at twice the rate of our economy. Experts believe a failure to improve infrastructure could cost businesses \$7 trillion and 2.5 million jobs by 2025 alone.¹

Latest Action

Though President Trump has repeatedly noted infrastructure as a priority since the 2016 elections, congressional leadership has been unable to come to an agreement regarding funding sources or

¹ <https://www.uschamber.com/series/above-the-fold/american-infrastructure-the-cost-of-inaction#:~:text=If%20we%20fail%20to%20act,afford%20to%20take%20any%20longer.>

the use of theoretically raised funds. As of now, U.S. House of Representatives Democrats and the president have each proposed packages of varying timetables and costs. Despite this, congressional Republicans have been reticent to engage seriously – especially in light of dramatic increases to the federal deficit. NACD continues to stress the urgency of comprehensive infrastructure spending.