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LABORERS' INTERNATIONAL UNION OF NORTH AMERICA

Transportation Infrastructure

BUILDING AMERICA SO AMERICA WORKS

LIUNA members stand ready to rebuild America! With bridges literally falling down and highways unable to handle today's traffic congestion, Congress must fund a long-term robust transportation infrastructure bill.

Our transportation infrastructure needs are far outpacing investment—each year falling billions short of what's needed. The American Society of Civil Engineers gave the condition of our nation's roads a D grade and our bridges a C+.

TRANSPORTATION REAUTHORIZATION

Most federal surface transportation programs are funded through the Highway Trust Fund (HTF), which was established in 1956. It is financed by the 18.4 cents per gallon of gasoline and 24.4 cents per gallon of diesel, which has not been raised since 1993.

Improvements in vehicle fuel efficiency and reduced driving coupled with inflationary cost increases have substantially decreased the purchasing power of gas tax revenue deposited in the HTF each year.

In 2012 Congress passed 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 it lacked the long-term investments needed in our transportation infrastructure.

MAP-21 expired last September. Due to Congress's inability to pass a new bill, the can was kicked down the road and a \$10.8 billion, short term, extension of MAP-21 was necessary to keep the HTF solvent until May of 2015.

BRIDGE THE AISLE FOR A HIGHWAY BILL

With the expiration of MAP-21's extension imminent, Congress must come together and act now or the HTF will not be able to make the investments in the Nation's roads, bridges, and transit systems making them susceptible to further deterioration.

It is time for Congress to put aside partisanship and solve the growing funding crises in transportation and adopt a long-term vision to build and maintain safe, reliable, and efficient transportation systems, while promoting our economic competitiveness.

The Facts Are Clear

- 170,000 miles of roads are in poor condition.
- A third of traffic deaths are due to poor road conditions.
- 66,000 bridges have been deemed structurally deficient by the US Department of Transportation. That's 25% of all US bridges.
- 4 billion hours in delays a year because of traffic congestion.
- 1 million jobs will be lost annually by 2020 if the problem is not addressed.
- \$1 trillion in business and \$324 million in exports lost due to chronic underinvestment.
- \$710 a year wasted on gasoline per motorist due to congestion.



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LIUNA is open to any and all discussions on long-term financing for transportation infrastructure and believes that all funding options should be on the table, including; new bonding mechanisms, infrastructure banks, and public-private partnerships (PPPs).

Public dollars should be leveraged by tapping the growing interest in public-private partnerships and other innovative financing arrangements. These proposals have the potential to not only drive critical projects forward but also improve the economy by supporting businesses and communities. However, it

is important to note that these private investments are not a substitute for systemic public resources and must be accompanied by standards that protect the public from exploitive practices.

However, a modest adjustment to the gas tax remains the most realistic, viable and sustainable solution in the near term to deal with the crisis we are in.

Congress should not continue to mend the Highway Trust Fund revenue shortfalls with general fund transfers.

LIUNA SUPPORTS

HR 625 - Infrastructure 2.0 —this Bipartisan legislation introduced by Rep. John Delaney (D-MD) and Rep. Richard Hanna (R-NY) uses international corporate tax reform—repatriation— to provide \$120 billion for the Highway Trust Fund over six years.

HR 413 - The Partnership to Build America's Infrastructure Act—introduced by Rep. John Delaney (D-MD) and Mike Fitzpatrick (R-PA), the bill creates a \$50 billion dollar infrastructure fund that is capitalized by selling bonds to private companies. In exchange for purchasing these bonds, the companies will be able to bring back a portion of their overseas earnings, one-time, tax free.

HR 680 - The Update, Promote, and Develop America's Transportation Essentials Act of 2015—introduced by Rep. Earl Blumenauer (D-OR) phases in a fifteen cent gas tax increase starting in 2016, indexes the gas tax to inflation, and then confirms Congress's intention to replace the gas tax with a more equitable, stable source of funding.

Bridge to Sustainable Infrastructure Act— which will soon be introduced by Rep. Renacci (R-OH) and Rep. Pascrell (D-NJ). It will immediately index the gas and diesel taxes to inflation prospectively, which can raise approximately \$27.5 billion to help bridge the Highway Trust Fund's current shortfall. This legislation would create a bipartisan, bicameral commission charged with determining a path forward for sustainable funding. If the commission is able to reach agreement by a super-majority, the commission's recommendations would receive expedited consideration in both the House and Senate, allowing for reform of the highway funding system through an up-or-down vote.