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Contact: Laura Braden, 615-891-8433, lbraden@mercuryllc.com

Fact Sheet: *Falling Apart and Falling Behind*

- U.S. infrastructure has fallen from first place in the World Economic Forum's 2005 economic competitiveness ranking to #15 today.

- The size of our federal investment in transportation infrastructure (as a share of GDP) has been dwindling for decades. Current U.S. transportation investments represent 1.7 % of total GDP.

- Americans wasted 4.8 billion hours sitting in traffic at a cost of $115 billion (2009).

- By 2035, an estimated 70 million more people will live in U.S. metropolitan regions. More people bring more commerce and greater transportation demands.
  - Every American accounts for about 40 tons of freight to be hauled each year – so an additional 2.8 billion tons of freight will be moved to and from major metropolitan regions in 2035. Our transportation system is not up to the task.

RAIL/FREIGHT

- Once the premier system in the world, U.S. rail infrastructure now ranks 18th in the World Economic Forum's Global Competitiveness Report.
  - U.S. freight rail tonnage is expected to rise 88 percent through 2035. A projected $148 billion is needed by 2035 to expand capacity and cope with this increased volume.
  - In Chicago rail yards, congestion is so bad that it takes a freight train longer to get across the city than it does to get from Chicago to Los Angeles.

AIR TRANSPORTATION

- The World Economic Forum ranks U.S. air transportation infrastructure 32nd in the world – behind countries like Panama, Chile, and Malaysia.
  - U.S. air traffic control is managed by the same ground-based radar system developed in the 1950s even though cutting-edge data-driven and satellite-based systems are being implemented in other parts of the world.
    - 37 percent of delays can be attributed to this outdated technology.
  - In the three NYC area airports nearly 2/3 of delays are caused by the air traffic control system, creating a ripple effect of delays across the country.

PORTS

- The World Economic Forum now ranks U.S. port infrastructure 22nd in the world – behind countries like Iceland, Germany, and Estonia.

- China now boasts six of the world's top ports – and none of the top 10 are located in the U.S.
    - The Shanghai port now moves more container traffic a year than the top seven U.S. ports combined.

GLOBAL COMPETITORS

- Even as the global recession has forced cutbacks in government spending, other countries are investing significantly more than the U.S. to expand and update their transportation network.
    - Canada spends 4 percent of its GDP on transportation investment and maintenance and China spends 9 percent (compared to the U.S.'s 1.7 percent).

- And they're getting results:
    - Brazil's Acu Superport is larger than the island of Manhattan and is designed with state of the art highway, pipeline, and conveyor belt capacity to ease transfer of raw materials onto ships heading to China.
    - Brazil is developing $19.7 billion, 223-mph high-speed rail line between Sao Paulo and Rio de Janeiro, expected to be running by 2014.
    - While California port traffic remained flat in 2007, cargo passing through Canada's Prince Rupert increased 37 percent.
    - China is now home to 6,649 miles of high-speed rail and six of the world's 10 busiest container ports—while the U.S. is home to zero.
    - The European Union has invested 400 billion Euros (U.S. $578.2 billion) as of 2009 to create a single, multimodal network that will integrate land, water, and air transport networks throughout the EU.

- The U.S. is one of the only leading nations without a national plan for public-private partnerships (P3) for infrastructure projects or a National Infrastructure Bank (NIB) to finance large-scale projects and leverage private capital.
    - While we fail to leverage government dollars to attract private investors, billions of dollars of private capital are flowing to infrastructure projects in other countries.
    - While Congress continues to bicker over legislation to create a National Infrastructure Bank, the European Investment Bank in 2009 lent $116.7 billion to infrastructure projects (of which $23 billion were transportation projects).

RECOMMENDATIONS FOR REFORM

1. Develop a national infrastructure strategy for the next decade that makes choices based on economics, not politics.

2. Re-orient Washington's priorities:
    - Pass a six-year transportation bill.
    - Target federal dollars toward economically strategic freight gateways and corridors.

- Re-focus highway investment on projects of national economic significance.
- Invest more in mass transit.
- Implement the Next Generation aviation system.
- Improve facilities at economically strategic airports.
- Invest now in true high-speed rail in economically strategic corridors.

3. Be both innovative and realistic about how to pay.
    - Establish a National Infrastructure Bank.
    - Develop other ways to pay for road maintenance, including: congestion pricing, tolling, carbon auctions, fees based on miles traveled, Build America Bonds, or reserves built into capital budgets.
    - Enhance or make permanent some of the innovative financing and funding mechanisms that have recently been put into place including: Transportation Investment Generating Economic Recovery (TIGER) grants and the Transportation Infrastructure Finance and Innovation Act (TIFIA).

4. Promote accountability and innovation.
    - Develop "best practices" for public-private partnerships.
    - Increase accountability in the federal funding and project delivery process.
    - Audit the U.S. Department of Transportation.
    - Encourage and reward local innovation.
    - Remove obstacles to state and local innovation.

For the full report and more information, please visit www.BAFuture.org/Report.

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