June 4, 2014

Mr. Anthony Foxx
Secretary of Transportation
US Department of Transportation
1200 New Jersey Avenue, SE
Washington DC 20590

Dear Secretary Foxx,

NOTE: This letter was sent to the following members of Congress:

- Congresswoman Marcia Fudge
- Congressman David Joyce
- Congressman Jim Renacci
- Congressman Tim Ryan
- Senator Sherrod Brown
- Senator Rob Portman

I am writing to share some of my thoughts on two important and interrelated transportation issues – the pending insolvency of the Highway Trust Fund; and the expiration of MAP-21, the current federal transportation funding and authorization bill.

For the past several years now, public officials throughout the Greater Akron area have recognized the pending insolvency of the Highway Trust Fund as a significant threat to the continued ability of our region to maintain its transportation infrastructure.

In 2010, the elected officials that comprise the decision-making body of our region’s Metropolitan Planning Organization (AMATS) passed a resolution endorsing a $0.10 per gallon increase in the federal gasoline tax, recognizing that the nation’s fiscal position with regards to transportation funding was rapidly eroding.

The Highway Trust Fund is a significant source of revenue for nearly every sizable highway, public transit, bicycle, and pedestrian project in our region. Without this federal funding, progress on our region’s two highest transportation priorities – keeping our existing roads and bridges in a good state of repair; and making it safer and easier for our residents to walk, bike, and ride the bus – would grind to a halt.
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Highway Trust Fund Insolvency

In 1956, when President Eisenhower signed the Federal-Aid Highway Act into law, and created the Highway Trust Fund, it was envisioned as a self-supporting source of revenue based upon a “user fee” – the gasoline tax. This is no longer the case.

The federal gasoline tax (18.4 cents per gallon) has not been raised since 1993. Because the tax was never indexed to inflation, its actual purchasing power has declined significantly, causing chronic fiscal problems for the Highway Trust Fund.

Indeed, without Congressional action, the Highway Trust Fund is projected be bankrupt in August 2014. The Fund, which is supposed to be self-sustaining, has not been so since 2008.

Over the past six years, $55 billion in general revenue funds have been transferred into the Fund. Given that our nation’s general fund itself is only kept solvent by a national debt that now exceeds $17 trillion, we are now essentially borrowing money from countries like China to pay for our roads.

So, not only do our roads no longer pay for themselves; but increasingly, neither do our own citizens. This is a transportation future that President Eisenhower would never have imagined.

It is clear that the current federal transportation system is fiscally unsustainable. As you know, many different ideas have been proposed as a means of dealing with the pending insolvency of the Highway Trust Fund: corporate tax reform; a wholesale gasoline tax; a vehicle miles traveled fee; continued borrowing from the general fund; devolution of the federal transportation program; a diversion of funds from the United States Postal Service; or a fuel tax increase.

I personally feel that the only viable and fiscally-responsible solution to this problem is a fuel tax increase, coupled with the new federal transportation policy framework that I describe below. I don’t believe that we should just throw more money at the existing federal transportation program – I believe that we need to reform it so that the hard-earned taxpayer dollars that are allocated for transportation are spent smarter.

In my discussions with a diverse array of public officials representing local governments throughout our region, one thing is coming across loud and clear – however Congress ultimately chooses to address this revenue shortfall, leaders in our region clearly feel that it is a Congressional responsibility to address it right now – not later; and to address it in a holistic and forward-thinking way that is socially, economically, and environmentally sustainable.
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**Federal Transportation Policy**

I would like to see a federal transportation program that is stable, fiscally sound, and one that enables our region to continue to move its key transportation priorities forward — namely a “fix it first” program that prioritizes maintenance of existing roads and bridges over expanding highway capacity; and a diverse transportation program that uses well-targeted investments to improve mobility for those that walk, bike, and ride the bus to get to where they need to go.

While our region could always use more federal funding, what we need even more is a new federal vision for transportation — one that prioritizes fixing the roads and bridges that we already have and creating viable alternatives to driving.

In many ways, we are still stuck in 1956 — the federal transportation program remains primarily the road-building program that it was under President Eisenhower, and, although there have been minor adjustments from time-to-time, Congress has yet to adopt a brand-new vision for transportation that looks beyond the completion of the Interstate Highway System.

Here in 2014, our current federal transportation policy framework is woefully inadequate for dealing with today’s realities in our region: no-growth urban sprawl and high energy prices that are costing taxpayers and consumers more and more; inequality (limited transportation access to jobs and social opportunities for the poor); and the desire of new generations to not be as car dependent.

So, our federal transportation program really needs to be reformed from both a fiscal and a policy standpoint. These two issues should be addressed together, for they are inextricably linked. Congress needs to recognize that the continued focus on building more, wider, and more expensive roads (that state and local governments will be responsible for maintaining in perpetuity) is a large part of the reason why the Highway Trust Fund is insolvent. It is not just a matter of the gas tax failing to keep up with inflation, or per-capita vehicle miles traveled declining — it is directly related to how federal transportation dollars are being spent.

If Congress does not act now to reform the federal transportation program, future authorization bills will become increasingly disconnected from both economic and social realities, and the entire federal transportation program will eventually collapse under its own weight. It is largely a matter of “when” and not “if”. It is in the nation’s best interest to avoid even greater fiscal pain (in the form of future unfunded roadway maintenance liabilities) by reforming this program sooner, rather than later.

While there are certainly exceptions, we have largely reached a point of diminishing returns when it comes to continuing to expand our highway system, which has served to create a self-reinforcing cycle of continued low-density, outward development; greater fuel usage; greater automobile dependence; and greater difficulty for the poor to access social and economic opportunities.

This is especially true in Northeast Ohio, where overall regional population has declined by 7% since 1970, but expenditures on new highway capacity have continued apace, and the region’s developed
footprint has continued to increase (by an estimated 25% since 1970) – compelling taxpayers at all levels of government to pay for ever more expensive infrastructure for ever fewer people.

At AMATS, we have recognized this trend and have reprioritized the federal transportation funds that are available to our Metropolitan Planning Organization (MPO) accordingly. Our commitment to routine maintenance is reflected in both our Regional Transportation Plan and our Transportation Improvement Program.

Currently, 12% of our region’s pavements are in poor condition, and 7% of our bridges are structurally deficient. Our region is performing better in this regard than many of its peers, but roadway maintenance is not a one-time responsibility. Keeping our roads and bridges in a relatively good state of repair will be an ongoing and costly proposition that is likely to require nearly all available federal, state, and local funds over the next 20 years.

The average bridge in our region, for example, is 49 years old, and maintenance that is deferred now, due to a lack of available funds, or a misallocation of resources, will end up increasing the cost of future bridge repair projects exponentially.

**Conclusion**

In closing, our organization would like to see a new, fiscally-sound, federal transportation program that does the following:

- Prioritizes roadway maintenance over highway expansion.
- Invests more in the relatively inexpensive projects that provide residents with more transportation options, such as bicycle, pedestrian, and public transit operational improvements.
- Recognizes the importance of MPOs by empowering them to continue to effectively carry out a metropolitan planning framework which couples local control of federal transportation funds, with a clear, overarching federal vision for transportation that is up to meeting today’s social, economic, and environmental challenges.

I hope that you will take these ideas into consideration as you debate and discuss the merits of various fiscal and policy proposals. I appreciate that there are difficult political decisions before you, and that there are many points of view to consider.

In the end, your constituents throughout the Greater Akron area are counting on a fiscally stable and economically viable federal transportation program. Without one, our already cash-strapped local governments will have to tighten their belts even further; our aging bridges and roads will continue to deteriorate and become more unsafe; and our transit systems will have to cut their already limited service even further, making it more difficult for our low-income residents to access jobs and economic opportunities.
I would be happy to discuss these ideas with you further, and I thank you for your leadership on this important issue.

Very Warmest Regards,

Jason Segedy
Director

Cc: AMATS Policy Committee Members
    AMATS Technical Advisory Committee Members