



Critical Commerce Corridors:

**A New Vision & Mission
for the Federal Surface
Transportation Program**

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Transportation & The Economy

- Transportation network allows commerce to occur. U.S. freight shipments valued at \$15 trillion in 2006.
- Traffic delays cost U.S. economy **\$78 billion per year.**
- Congestion wastes **2.9 billion gallons of fuel annually.**
- Freight bottlenecks cost trucking industry **\$8 billion and 243 million hours per year.**



Ready to Meet Future Needs?

The federal government finances **almost half** of all U.S. **capital investments** in highway and bridge construction and is a major financier of mass transit and airport projects... BUT

... By any performance metric, the current federal investment in transportation infrastructure is **woefully under funded** to meet current OR future **national** safety, mobility, security and environmental needs... or even maintain current conditions.



The Competitive Challenge

Our future economy and quality of life depends on a safe and efficient U.S. surface transportation network.

Where is the U.S. Plan?

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A New Vision

A Two-pronged Agenda for 2009 SAFETEA-LU Reauthorization...



A New Vision

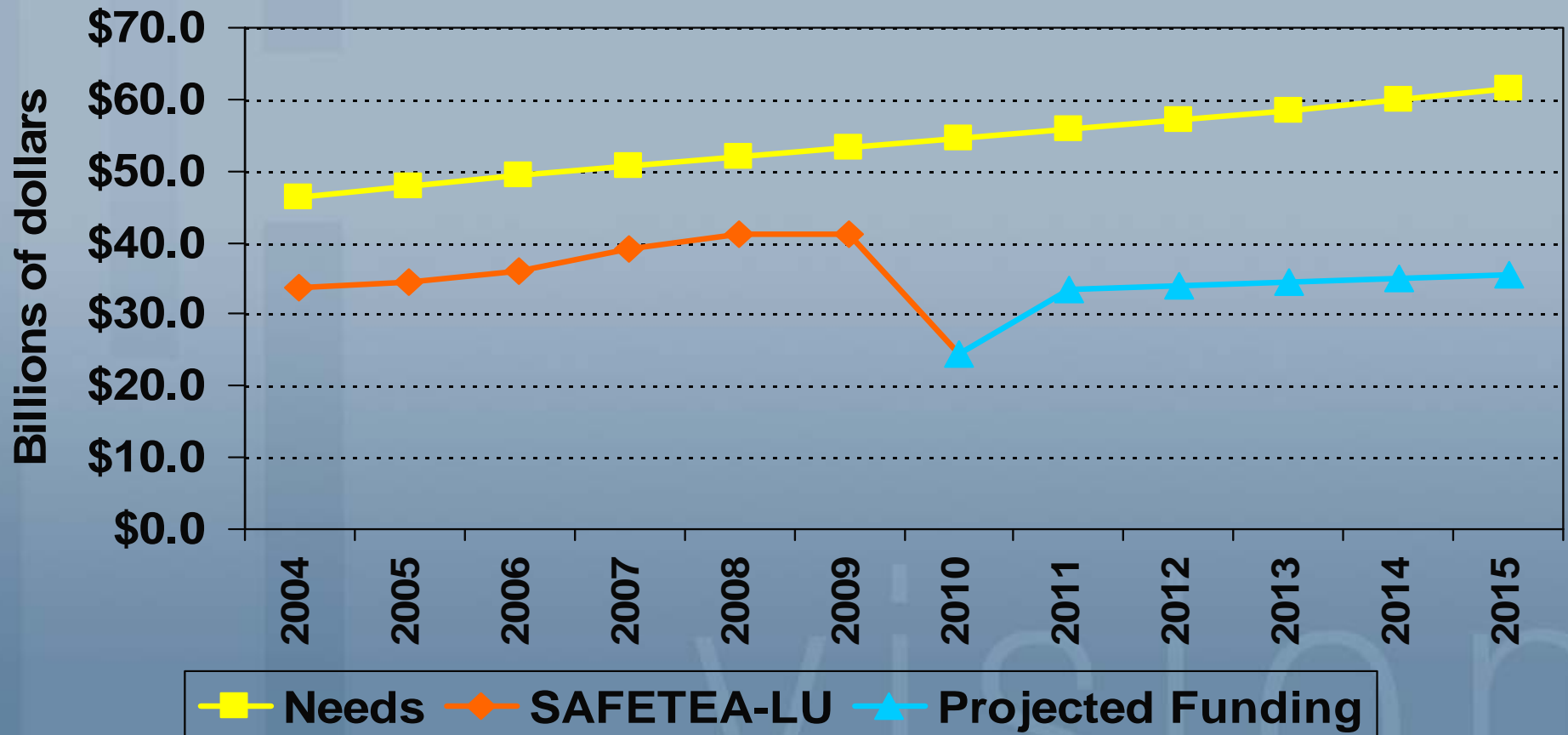
First... Boost Existing "Core Program" Highway/Transit Investments

A major federal motor fuels excise increase no later than October 2009 to meet **existing** system needs

- **At minimum, 13 cents per gallon...** indexed annually for inflation... to keep pace with construction material price increases and maintain current physical conditions and performance levels...



Needs vs. Current Revenues



TRANSPORTATION

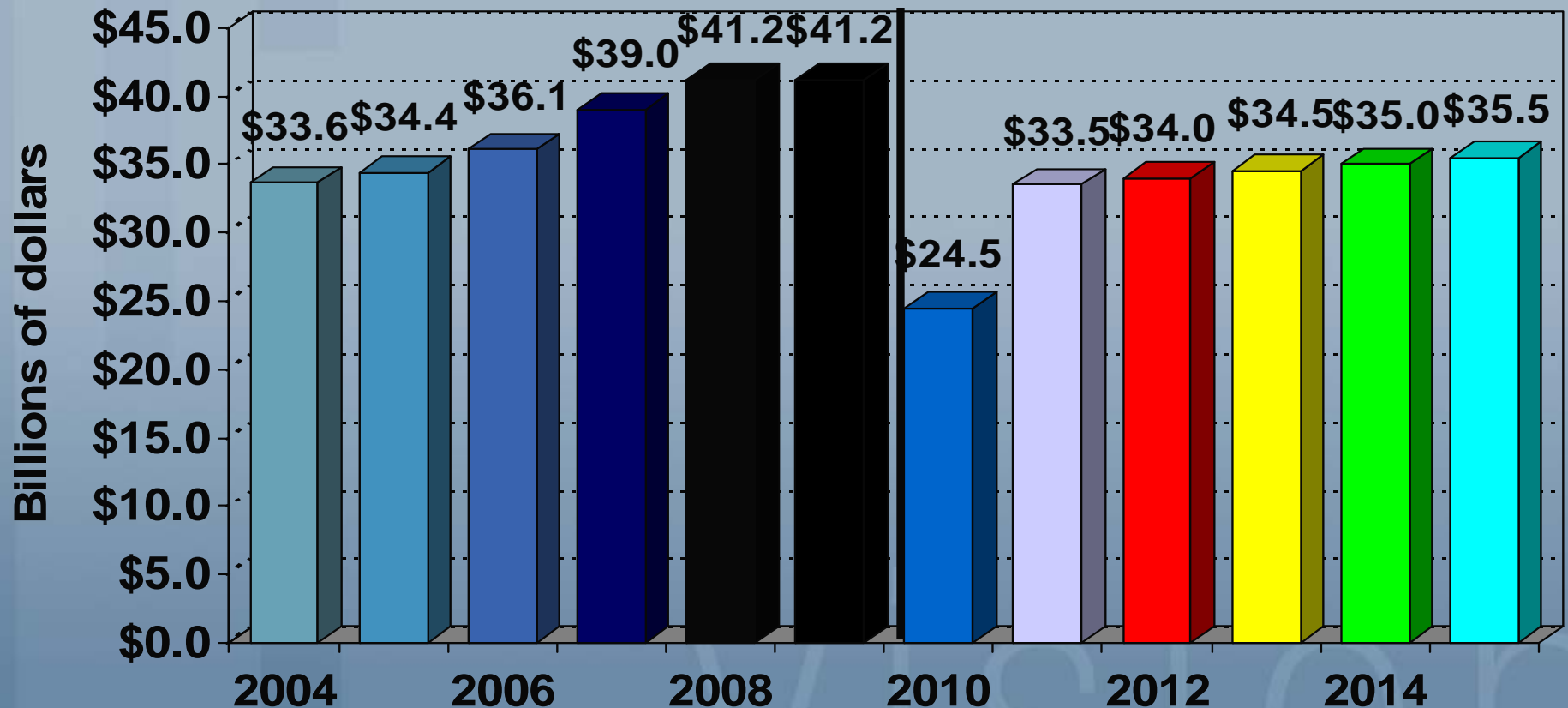


MAKES

AMERICA

WORK!

Highway Investment Outlook



SAFETEA-LU Guaranteed Funding

Projected Highway Program Funding

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Source: Treasury revenue forecast for FY 2008 Budget



A New Vision: The “Critical Commerce Corridors” Program

Second... Authorize a “Critical Commerce Corridors” (3C) Program

- **National Priority Program** led by federal government to develop system to ensure **secure/efficient movement of freight**
- **Separate user fee financing mechanism**, “fire walled” from core HTF and solely dedicated to 3C
- **Complements** existing “Core” programs



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3C System Development:

“Put the Best Minds to the Task”

U.S. DOT to lead **fast-track** process involving **key private and public stakeholders and state partners** to create a **“strategic business plan”** for congressional review and approval that...

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- **Utilizes a regional planning approach** coordinated to create a **seamless, multi-modal national system**
- **Identifies project components** of 3C System
- **Creates proposed strategic business plan** that **prioritizes project implementation**
- **Estimates project costs**
- **Recommends freight-related user fee mechanisms** to finance recommended 3C program



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What the 3C Might Include...

- Most—if not all—of the existing **Interstate Highway System** and a portion of the non-Interstate National Highway System
- **New Multi-Modal Trade Corridors**
- **New capacity separated “Truck Only” Lanes** allowing increased trucking productivity/vehicle mix safety



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3C System Financing

- U.S. DOT, w/relevant stakeholders, recommend **Freight-Based User Fee(s)** to finance costs identified for 3C System
- **Potential Fees might include (but not limited to)**— Bill of Lading Tax, Customs Fees, Mileage Tax, Freight Transaction Fee, Segregated Diesel Fuel Fee
- **Statutory “Budget Firewalls”** to separate 3C and “core program” HTF revenues



A New Vision: The “Critical Commerce Corridors” Program

Results of the ARTBA Vision:

- Two **Equal Priority Federal Programs**
- Two **Independent** Financing Structures
- One **Cohesive National Surface Transportation Strategy!**