Fix It First, Expand It Second, Reward It Third: A New Strategy for America's Highways

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Rationale

- The transport network plays a key role in the US economy
- Many highways and bridges were built long ago and now require significant investments in maintenance and repair
- The necessary annual expenditure to maintain current performance could be greater than $145 billion

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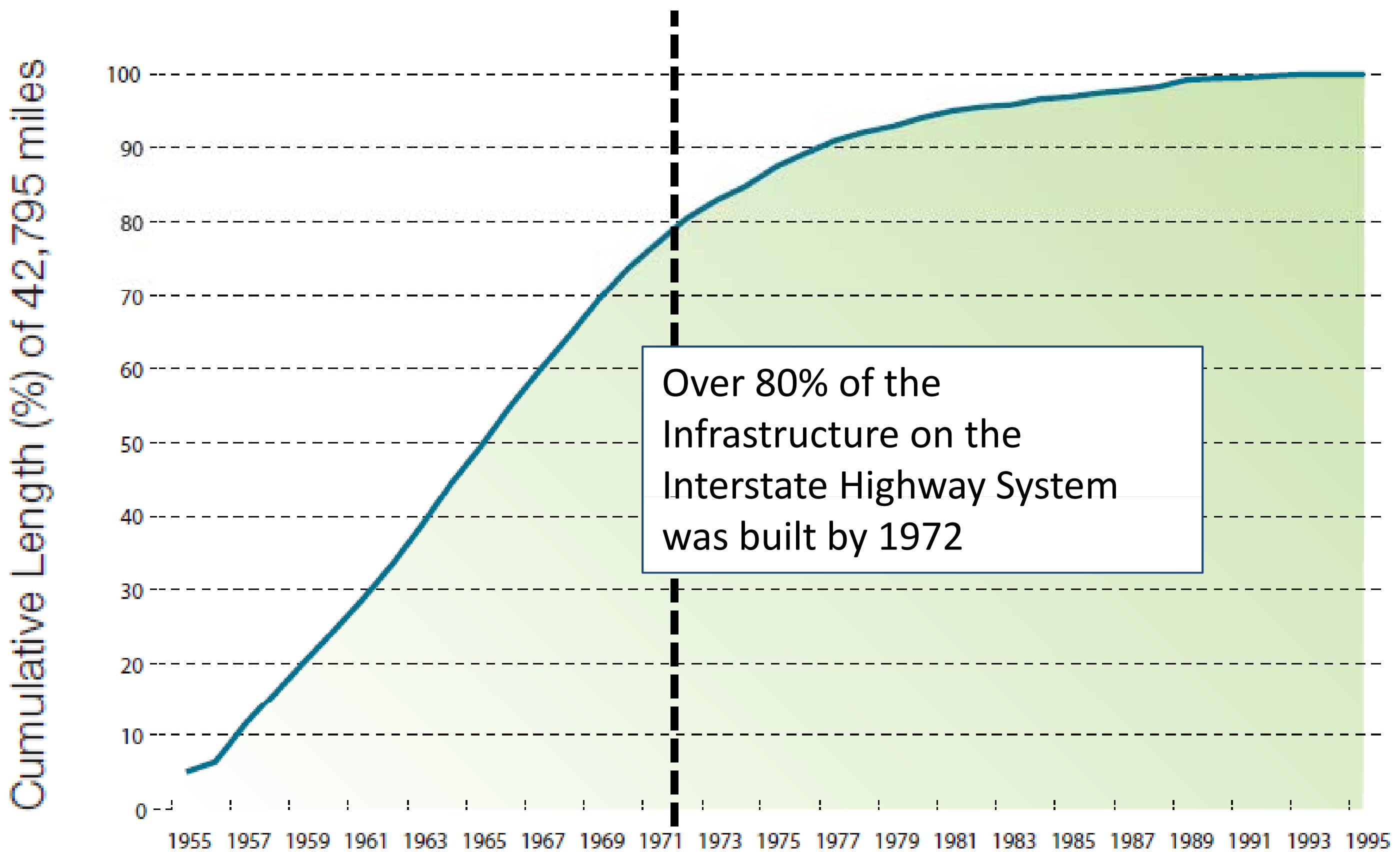
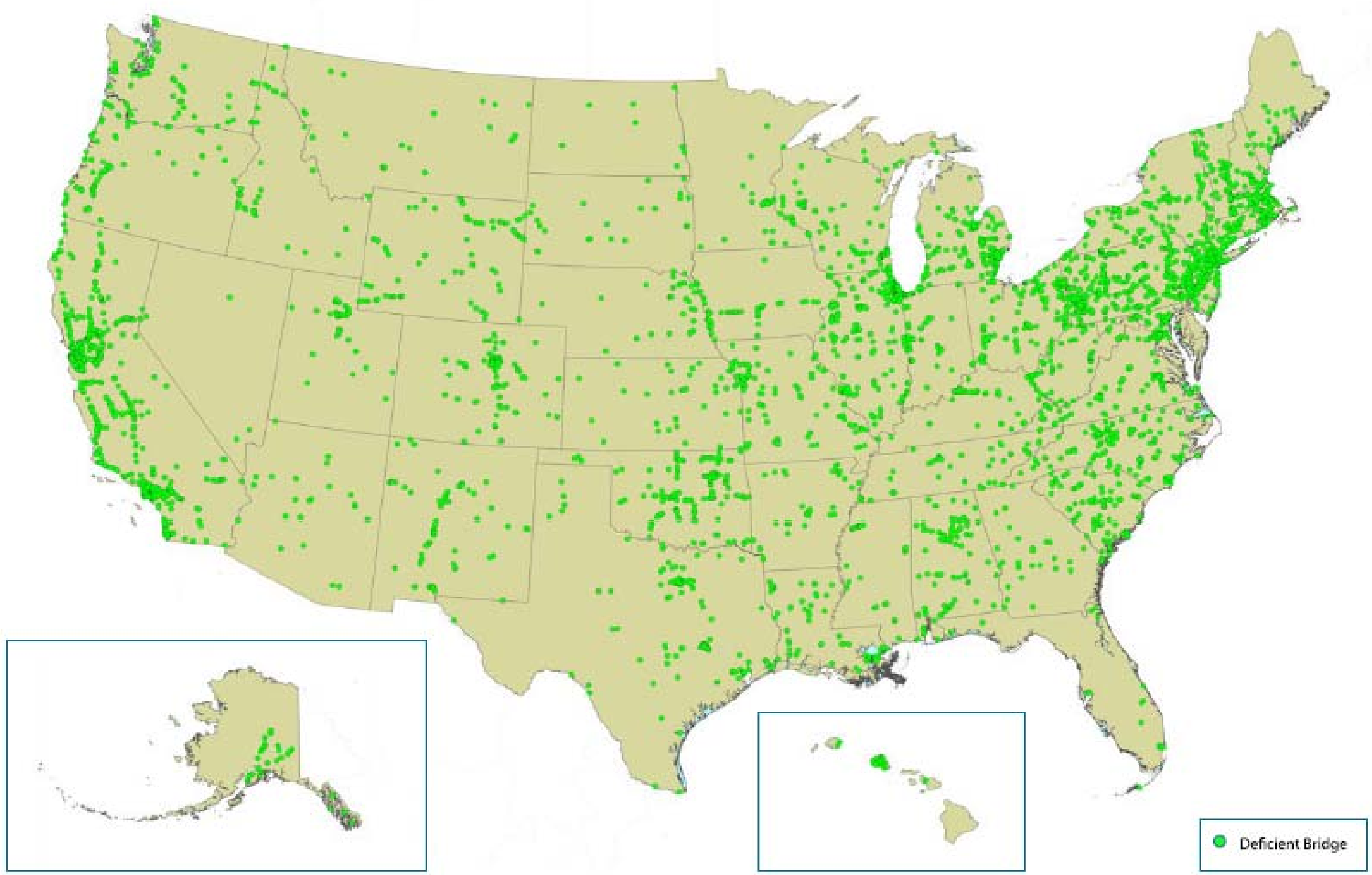
Aging Infrastructure



Source: Federal Aviation Administration (FAA) 2010.

Structurally Deficient Bridges



Source: DOT 2007b

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Fix It First

- We propose that revenue from the federal gasoline tax no longer fund new highway construction.
- Instead, this revenue would be dedicated to preserving and reconstructing existing highways, which are reaching the end of their design life.

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Expand It Second

- New highways will continue to be built.
- We propose to change the financing rules
- Rather than receiving a 80% Federal subsidy, states would borrow (and have to repay from User Fees) the capital from the newly capitalized Federal Highway Bank
- A major change in incentives

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Reward It Third

- We introduce formal performance standards for ranking investments
- Formal criteria related to safety performance, pollution, and speed and accessibility will be evaluated by each state's Department of Transportation
- Projects that perform well on these criteria will receive an interest rate reduction

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