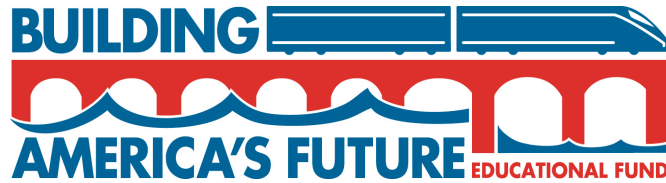


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## **Fact Sheet: *Falling Apart and Falling Behind***

- 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 18<sup>th</sup> 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 32<sup>nd</sup> 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    - 37 percent of delays can be attributed to this outdated technology.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 22<sup>nd</sup> 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](http://www.BAFuture.org/Report).

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*For more information, please visit [www.BAFuture.org](http://www.BAFuture.org). For the latest infrastructure news, please follow us on Twitter ([www.twitter.com/BAFuture](https://www.twitter.com/BAFuture)), Facebook ([www.facebook.com/BuildingAmericasFuture](https://www.facebook.com/BuildingAmericasFuture)), and YouTube ([www.youtube.com/BAFInfrastructure](https://www.youtube.com/BAFInfrastructure))*