



## **The Case for U.S. Infrastructure Investment**

### ***Fast Facts on America's Infrastructure***

America's infrastructure includes<sup>i</sup>:

- Approximately 4 million miles of roads
- 117,000 miles of rail
- 600,000 bridges
- 79,000 dams
- 26,000 miles of commercially navigable waterways
- 11,000 miles of transit (including more than 5,000 miles of rail transit)
- more than 3,000 transit rail stations
- 300 ports
- 19,000 airports
- 160,000 miles of high-voltage transmission lines
- 55,000 community drinking water systems
- 30,000 wastewater treatment and collection facilities

As a share of GDP, public spending on infrastructure has ranged from 2.3 percent to 2.5 percent since the mid-1980s. Before then, it had trended downward, from a peak of 3 percent in the late 1950s and early 1960s.<sup>ii</sup>

### ***Few Things Make a Larger Impact on the Quality of Life for Average Americans than the Quality of Infrastructure in their Communities.***

Underfunded roads and highways equal more parents stuck in traffic rather than at home with their families, an increase in unhealthy air pollution, and a decrease in overall safety.

- **FACT:** Americans wasted 3.9 billion gallons of fuel in 2009 due to traffic congestion and the total cost of congestion in 2009 was \$115B.<sup>iii</sup>
- **FACT:** The national impact of crashes in 2003 was \$230.6 billion (2.3% of GDP) according to U.S. DOT. (By way of comparison, Medicare annual costs in 2008 were just over 3% of GDP.)<sup>iv</sup>
- **FACT:** Transportation infrastructure is at capacity and projected to get worse. Congestion tripled between 1982 and 2005.<sup>v</sup>

Our decaying water infrastructure is wasting billions of gallons of a nonrenewable resource, as well as putting our environment and public health at risk.

- **FACT:** Drinking water utilities will need to invest \$334.8 billion over the next 20 years, above the level of current spending, to continue to provide safe and sufficient water to the American public.<sup>vi</sup>
- **FACT:** A federal investment of \$20 billion in ready-to-go water infrastructure projects would create over 400,000 jobs in 2010.<sup>vii</sup>



When transportation options are limited, the working poor bear the brunt of the burden.

- **FACT:** Americans households spend 17.6% of their budgets on transportation (the second largest expense after housing). America's poorest households spend more than 40% of take-home pay on transportation – a figure that has increased 33% since 1992.<sup>viii</sup>
- **FACT:** From 2000-2005, average American salaries went up 10.3 percent, transportation costs went up 13.4 percent.<sup>ix</sup>
- **FACT:** Public transit users save more than \$9,381 per year by taking public transportation instead of driving.<sup>x</sup>

### ***Since We Ultimately Pay for it, the American Taxpayers Deserve Safe, Efficient, Affordable and Modern Infrastructure.***

- **FACT:** One-third of America's major roads are in poor or mediocre condition, and 45 percent of major urban highways are congested.<sup>xi</sup>
- **FACT:** Over 4,095 dams are "unsafe" and have deficiencies that leave them more susceptible to failure, especially during large flood events or earthquakes.<sup>xii</sup>
- **FACT:** The use of portable classrooms by public school systems continues to grow at more than 20 percent each year.<sup>xiii</sup>

It's time for fresh approaches to old problems – we must reform and modernize the way we invest in infrastructure. Getting it done right (with accountability and transparency) is just as important as getting it done fast.

- **FACT:** A near unanimous 94 percent of Americans are concerned about our nation's infrastructure, and 81 percent are willing to pay more in taxes to rebuild it. But over 60 percent say that accountability and transparency in how the funds are spent are their highest priorities.<sup>xiv</sup>

### ***Infrastructure is a Key Stimulus for Economic Growth and a Measure of Global Competitiveness.***

Our crumbling infrastructure isn't just affecting our quality of life – it's hurting America's bottom line, causing lost revenues and waste.

- **FACT:** Rolling blackouts and inefficiencies in the U.S. electrical grid cost an estimated \$80 billion a year.<sup>xv</sup>
- **FACT:** In 2003, freight logistics costs were 8.6 percent of GDP but rose to 9.5 percent in 2005, the largest such increase in 30 years. A full one-third of the increase in cost was attributable to inefficiencies in the transportation system.<sup>xvi</sup>

Time and money are wasted when semi-trucks and trains carry goods on gridlocked roads and railways or when ports are not modern enough to meet today's demands. The more efficiently we can move people and goods, the stronger our economy will be.

- **FACT:** On an average day, some 43 million tons of goods valued at \$29 billion move on the nation's interconnected network of ports, roads, rails and inland waterways.<sup>xvii</sup>



- **FACT:** By 2020, every major U.S. container port is projected to at least double the volume of cargo it was designed to handle. Some East Coast ports will triple in volume, and some West Coast ports will quadruple.<sup>xviii</sup>
- **FACT:** Freight traffic on U.S. railroads increased more than 50% from 1990 to 2003.<sup>xix</sup> Freight bottlenecks cost about \$200 billion or 1.6% of GDP per year.<sup>xx</sup>
- **FACT:** A 2005 FHWA study estimated the direct cost of highway bottlenecks to truckers at \$7.8 billion a year. Most of the bottlenecks—124 million hours of delay—occur at urban interstate interchanges at the cost of \$4 billion. Each of the top ten Interstate bottlenecks causes more than a million truck-hours of delay a year.<sup>xxi</sup>

Targeted, accountable infrastructure investment is one of the most effective ways to stimulate our economy and create new jobs that can't be outsourced.

- **FACT:** Under the right conditions, a 1 percent increase in a country's infrastructure stock could produce a 1 percent increase in the level of GDP.<sup>xxii</sup>
- **FACT:** For every \$1 billion in federal investment in transportation infrastructure, an estimated 27,800 to 34,800 jobs are created.<sup>xxiii</sup>
- **FACT:** For every \$1.00 invested in public water and sewer infrastructure services, approximately \$8.97 is added to the national economy.<sup>xxiv</sup>
- **FACT:** Repairing existing roads and bridges creates 9 percent more jobs per dollar than building new roads or bridges.<sup>xxv</sup>
- **FACT:** The United States Chamber of Commerce found that GDP per capita would increase by 0.3% for every single point of improvement in the Transportation Index. Allowing the overall transportation performance to lag behind the average index of the top 5 performing states leaves about \$1 trillion of potential GDP on the table.<sup>xxvi</sup>

America is falling behind both developed and developing countries in tackling its infrastructure problems.

- **FACT:** The U.S. is currently investing less on infrastructure as a percentage of gross domestic product (GDP) than Europe, China and many emerging countries.<sup>xxvii</sup>
- **FACT:** The European Union is investing \$677 million to the "Marco Polo" Program to encourage shippers to move freight off European highways and onto coastal shipping routes.<sup>xxviii</sup>
- **FACT:** By 2020, China plans to build 55,000 miles of highways, more than the total length of the U.S. interstate system.<sup>xxix</sup>

### ***Smart Infrastructure Investments will help Decrease our Dependence on Foreign Oil, Clean our Air, and Support Healthy Communities.***

- **FACT:** Commercial and industrial buildings account for as much as 50 percent of U.S. energy use, and residential buildings account for another 20 percent.<sup>xxx</sup>
- **FACT:** Retrofitting public buildings to be more energy-efficient would reduce carbon emissions and save taxpayers energy costs, while creating as many as 800,000 jobs.<sup>xxxi</sup>
- **FACT:** Had a "smart" power grid system been in place during the Northeast blackout of 2003, it could have saved almost \$6 billion in economic loss to the region.<sup>xxxii</sup>



- **FACT:** If 10 percent of the long-distance freight that moves by truck moved by rail instead, we would save more than a billion gallons of fuel per year, and annual greenhouse gas emissions would be reduced by more than 12 million tons – the equivalent of taking 2 million cars off the road or planting 280 million trees.<sup>xxxiii</sup>

Our nation should also make a substantial investment in public transit, which will put people to work while helping to lower transportation costs for American families and businesses, reduce carbon emissions, and spur economic development across the U.S.

- **FACT:** The U.S. economy currently generates more than 750,000 “green collar” jobs – a number that is projected to grow five-fold to more than 4.2 million over the next three decades.<sup>xxxiv</sup>
- **FACT:** Public transit reduces petroleum consumption by a total of 1.4 billion gallons of gasoline each year. This represents 108 million fewer cars filling up – almost 300,000 everyday.<sup>xxxv</sup>
- **FACT:** In 2006, public transit around the country saved 3.4 billion gallons of oil and prevented 26 million tons of greenhouse gases.<sup>xxxvi</sup>

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<sup>i</sup> [National Governors Association, 2009](#)

<sup>ii</sup> [Congressional Budget Office, 2007](#)

<sup>iii</sup> [Texas Transportation Institute, 2010](#)

<sup>iv</sup> [The New York City Pedestrian Safety Study and Action Plan, August 2010](#)

<sup>v</sup> [The Brookings Institute: A Bridge to Somewhere, June 2008](#)

<sup>vi</sup> [Environmental Protection Agency, 2009](#)

<sup>vii</sup> [Water Infrastructure Network, 2009](#)

<sup>viii</sup> [APTA: Changing the Way America Moves, Spring 2009](#)

<sup>ix</sup> [Center for Housing Policy, 2006](#)

<sup>x</sup> [American Public Transportation Association, 2010](#)

<sup>xi</sup> [American Society of Civil Engineers, 2009](#)

<sup>xii</sup> [American Society of Civil Engineers, 2009](#)

<sup>xiii</sup> [Modular Building Institute, 2001](#)

<sup>xiv</sup> [Luntz, Maslansky Strategic Research, 2009](#)

<sup>xv</sup> [Lawrence Berkeley National Laboratory, 2005](#)

<sup>xvi</sup> [AASHTO, 2007](#)

<sup>xvii</sup> [U.S. Chamber of Commerce, 2008](#)

<sup>xviii</sup> [U.S. Chamber of Commerce, 2003](#)

<sup>xix</sup> [The Brookings Institute: A Bridge to Somewhere, June 2008](#)

<sup>xx</sup> [The Presidents Economic Recovery Advisory Board, December 2009](#)

<sup>xxi</sup> [The National Chamber Foundation: The Transportation Challenge, 2008](#)

<sup>xxii</sup> [World Bank](#)

<sup>xxiii</sup> [Department of Transportation, 2008](#)

<sup>xxiv</sup> [U.S. Conference of Mayors, 2008](#)

<sup>xxv</sup> [Surface Transportation Policy Project, 2004](#)

<sup>xxvi</sup> [The United States Chamber of Commerce Transportation Index Report, September 2010](#)

<sup>xxvii</sup> [Progressive Policy Institute, 2009](#)

<sup>xxviii</sup> [Institute for Global Maritime Studies, 2008](#)

<sup>xxix</sup> [Atlanta Fed, 2008](#)

<sup>xxx</sup> [U.S Energy Information Administration, 2000](#)

<sup>xxxi</sup> [Political Economy Institute, 2008](#)

<sup>xxxii</sup> [Department of Energy](#)

<sup>xxxiii</sup> [Association of American Railroads: Rail Intermodal Keeps America Moving, May 2010](#)

<sup>xxxiv</sup> [U.S. Conference of Mayors, 2008](#)

<sup>xxxv</sup> [ICF International, 2007](#)

<sup>xxxvi</sup> [Maryland Public Interest Research Group, 2008](#)