



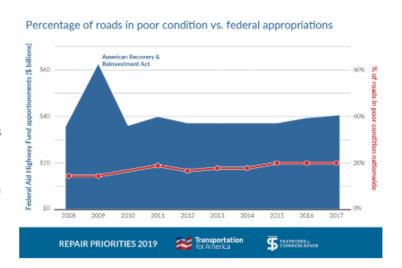
Repair Priorities 2019

The nation's roads are deteriorating, contributing to a looming financial problem, yet the condition of the nation's road network is a direct reflection of states deciding to underinvest in repair for decades.

Register for a webinar on Wednesday May 15 at 3 p.m. ET/12 p.m. PT to learn more >>

Between 2009 and 2017, the percentage of the roads nationwide in poor condition increased from 14 to 20 percent.

Policymakers continue to pay lip service to the notion of prioritizing repair and "fix-it-first," yet we have little to show for all the rhetoric. The latest data in Repair Priorities shows that the conditions of our roadways have not improved, perpetuating a costly backlog of roads in poor condition. Congress provides states with billions in formula funding that they are free to use for maintenance. Yet, despite the backlog, states continue to spend a significant portion of funding to build new roads, creating costly new maintenance liabilities in the form of new roads and lanemiles.



This is especially concerning given that Congress provided additional federal funding for transportation infrastructure twice over that time period. We also benefited from the one-time boost provided by the 2009 American Recovery and Reinvestment Act, which significantly increased the funding available for road repair for several years. Despite these injections of funds, states prioritized new or expanded roads and failed to make a dent in the backlog of roads in poor condition.

This is more than a money problem—it's a priorities problem

The latest available data shows states have made some slight improvements in their spending since we released the first edition of *Repair Priorities* in 201. **Despite those improvements**, **states are still spending just as much on expansion as repair**—states spent \$21.4 billion on average on road repair annually and \$21.3 billion annually on road expansion between 2009-2014.

These investments in expansion don't just redirect funds away from much needed investments in repair; they continually grow our annual spending need, widening the gap. Every new lane-mile of road costs approximately \$24,000 per year to preserve in a state of good repair. By expanding roads, we are borrowing against the future.



As of 2017, we estimate that we would need to spend \$231.4 billion per year just to keep our existing road network in acceptable repair and bring the backlog of roads in poor condition into good repair over a six-year period. By comparison, all highway capital expenditures across all government units totaled \$105.4 billion in 2015, only a portion of which goes to repair. It is significantly more expensive to rehabilitate roads that have fallen into poor repair than to preserve roads in good condition on an ongoing basis through routine pavement preservation.

THE COST TO MAINTAIN THE NATION'S ROADS \$169 billion per year just to keep our good roads "good." \$62 billion per year on top of that to address the backlog of poor roads. That's a total need of \$231.4 billion per year just to keep our existing road network in acceptable repair. For comparison, all highway capital expenditures across all government units totaled \$105.4 billion in 2015, only a portion of which goes to repair. Roads are major financial liabilities. They come with guaranteed costs over their life cycles.

\$24,000 **X** 223,494

annually per lane mile to keep roads in a state of good repair

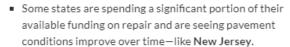
lane miles added to the full public road network 2009-2017

needed annually to maintain these recently added lane miles

State spending priorities

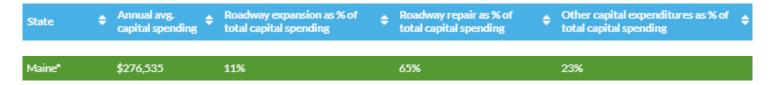
Some states are *still spending to expand their road networks* at the expense of their existing roads—an irresponsible use of taxpayer dollars. While pavement conditions worsened slightly at the national level between 2009-2017—even with billions in federal and state spending devoted to repair—the outlook is worse for many states, thirty-seven of which saw an increase in the percentage of roads in poor condition.

West Virginia, for example, devoted 31 percent of the state's highway capital budget to road expansion between 2009 and 2014 and just 19 percent to road repair, and saw the percentage of roads in poor condition increase from 28 percent to 31 percent between 2009 and 2017. Yet on a state-by-state basis, the story is also more complex:



- Some states are devoting more of their available funds to road repair, but are still seeing worsening pavement conditions
 because the backlog is too great; for example, Michigan. These states may need additional funds to keep their roads in
 good condition.
- Other states, like Tennessee, have been able to maintain a large percentage of their roads in good condition with their available funding, allowing them to devote funds to road expansion without compromising the quality of their existing system.

Highway capital spending on state-managed roads, 2009-2014 (thousands)



*These states did not provide data to FHWA for at least one year of the analysis. Therefore, results may be skewed.



State road conditions

Thirty-seven states saw an increase in the percentage of roads in poor condition between 2009 and 2017. A number of states also saw their roads improve between 2009 and 2017. Arkansas, Kansas, Maryland, New Jersey, and Vermont saw the biggest decreases in the percentage of their roads in poor condition.

Eleven states have at least 30 percent of their road network in poor condition as of 2017. California, Connecticut, Hawaii, New Jersey, and Rhode Island had the highest percentage of roads in poor condition. These states are highlighted in red in the table below.

By contrast **Georgia**, **Idaho**, **Nebraska**, **Oregon**, and **Tennessee** had the lowest percentage of their roads in poor condition as of 2017. And **Georgia**, **Maryland**, **Nebraska**, **North Dakota**, **Tennessee**, and **Wyoming** had the highest percentage of roads in good condition as of 2017.

Percentage of public roads across jurisdictions in good, fair, and poor condition, 2017

| Search: | | | | | | | | | | | | |
|---------|---|---|----------|---------------------|---|------------------------|---|---------------------|----------|-----------------------------|----------|--|
| State | ÷ | Public centerline miles of roads reported | ÷ | % in poor condition | • | % in fair condition | ÷ | % in good condition | ÷ | % with unreported condition | + | |
| Maine | | 6,169 | | 22% | | 36% | | 41% | | 0% | | |

So what will it take to fix the system?

Transportation for America is calling on Congress to address this in any infrastructure package they consider, including the upcoming 2020 federal transportation bill. Congress should take the following actions in the 2020 transportation bill to get us back on track:

Guarantee measurable outcomes for American taxpayers with any new funding

The next transportation bill should set clear, quantifiable outcomes the program is expected to accomplish. Congress could set a goal for repairing all roads in poor condition and write a bill that clearly moves the ball forward toward that goal. If it cannot be done in the next six-year authorization bill, Congress should make clear what is feasible.

Require that states repair their existing systems before expanding

Congress should require that states dedicate available highway formula funding to repairing the existing system first. Historically, states have used this formula funding for new road construction. Congress could grant states additional flexibility if they are able to demonstrate that they are keeping their roads in good condition above a certain percentage threshold.

Require project sponsors to demonstrate that they can afford to maintain new roadway capacity projects

To supplement this formula funding now dedicated to repair and maintenance, Congress should create a competitive program to fund highway capacity expansion projects similar to the New Starts transit capital program. Projects should be evaluated for funding based on clear performance criteria to ensure that funded projects produce substantial benefit for the cost, and project sponsors should demonstrate that they can operate and maintain the asset throughout its useful life, ensuring a plan for long-term upkeep.

Track progress and require that FHWA publish results

The Moving Ahead for Progress in the 21st Century (MAP-21) Act in 2012 established a requirement that states and metro areas set performance targets for the pavement conditions of the interstate and non-interstate highways they maintain. Yet FHWA did not make those targets publicly available until spring 2019, seven years after passage of the law. The new transportation bill should establish stronger reporting requirements to ensure that our investments produce the needed results.

Click here to view complete un-excerpted report.

Key Points to fix the system from this report:

- Require that states repair their existing systems before expanding.
- Congress should require that states dedicate available highway formula funding to repairing the existing system first.
- Require project sponsors to demonstrate that they can afford to maintain new roadway capacity projects.
- Projects should be evaluated for funding based on clear performance criteria to ensure that funded projects produce substantial benefit for the cost, and project sponsors should demonstrate that they can operate and maintain the asset throughout its useful life, ensuring a plan for long-term upkeep.