



ISSUE

The National Association of Regional Councils (NARC) supports exploring and implementing short- and long-term transportation financing mechanisms and alternative funding ideas to maintain and improve the nation's multimodal transportation infrastructure network to best compete in a global marketplace, sustain jobs, strengthen the overall national economy and create livable communities.

RECOMMENDATIONS

PARTNERSHIPS

- Support the federal government partnership with local governments and regions to resolve critical workforce issues.
- Engage directly with local elected officials, who understand the local needs, opportunities, and obligations through their "on-the-ground" perspective.
- Encourage partnerships between federal, state, regional and local government, as well as public and private industry and business entities.

FUNDING

- Provide adequate funding and authority to maintain and grow transportation infrastructure supporting the safe and efficient movement of people, goods and services throughout the country.
- Allow federal funds to leverage other money, especially with respect to freight projects that impact beyond state, city, county and regional borders.
- Promote increased funding, and programs which are streamlined and flexible, and maximize regional Councils of Government (COGs) and Metropolitan Planning Organizations (MPOs) to convene and work cooperatively with local, state and federal partners on policies and decisions.
- Conduct extensive research into a combination of innovative transportation financing solutions - raising and indexing the federal gas tax; regional transportation taxes; pricing; tolling; user-based fees; and, public private partnerships (PPPs), etc.
- Authorize "Regional Infrastructure Improvement Zones" (RIIZs), a financing mechanism that would allow for businesses or individuals to make tax deductible contributions toward a COG/MPO pre-approved infrastructure project.

PROGRAM

- Emphasize transportation as a high priority in federal, state and local governments through proactive policies.
- Recognize the critical roles regional COGs and MPOs play in supporting local, regional and national economies through the planning and implementing of vital transportation projects.
- Support increased local government and regional authority to determine and employ solutions at the regional level.
- Provide incentives to regions and localities that plan communities by crosslinking transportation, housing and economic development opportunities with environmental considerations.
- Provide incentives to the private sector to improve infrastructure.

BACKGROUND

The future financing of our country's transportation network is in question. Federal, state, local and private infrastructure funds continue to dwindle as needs for basic maintenance and demands for increased capacity increase. The Highway Trust Fund (HTF) is currently supported by an 18.4 cent per gallon gas tax (stagnant since 1993) - 15.44 cents per gallon Highways and 2.86 cents Mass Transit. The HTF reached a crisis in 2008 where Congress supplement it with funds from the General Fund. Projections indicate this crisis could happen again as early as Summer of 2009. Additionally, inflation, coupled with the rising cost of construction materials and cost of doing business, has significantly under cut the HTF's purchasing power. In fact, industry studies are forecasting an ever widening funding gap for transportation infrastructure with cumulative deficits at \$1 trillion or more by 2015.

COGs and MPOs play critical roles in supporting regional economies through the multimodal daily movement of people, goods and services. Since the late 1960s, MPOs and COGs have performed comprehensive planning with substantial public input to support economic growth, environmental sustainability, and enhanced mobility. MPOs are responsible for providing at least a 20% share of costs for a transportation project.