



FACT SHEET

The Transportation Challenge: Moving The U.S. Economy

- The U.S. population is projected to grow from 300 million today to 380 million in 2035.
- Approximately one half of the U.S. population is expected to live in metropolitan areas of more than five million in population by 2035.
- The economy has expanded from \$2.7 trillion in 1980 to \$13.2 trillion in 2006 and will more than double over the next 30 years.
- The value of U.S. imports and exports is forecast to increase from the equivalent of 28% of U.S. gross domestic product (GDP) in 2006 to the equivalent of 60% by 2030.
- Transportation improvements directly benefit economic output. A 10% increase in travel speed leads to a 15%-18% increase in the size of the labor market.
- Nearly 50% of the 257 locks on the more than 12,000 miles of inland waterways operated by the U.S. Army Corps of Engineers are functionally obsolete.
- The Association of American Railroads estimates that an investment of \$148 billion in expansion of rail freight infrastructure is needed to keep pace with the volume of freight forecast for 2035.
- Flight delays in 2007 were the worst since the government began tracking them in 1995.
- The Federal Aviation Administration plans to invest \$4.6 billion over the next five years in air traffic control but estimates at least \$41 billion must be invested in airport infrastructure over the same period.
- Postponing investment means higher transportation costs. The American Association of State Highway and Transportation Officials (AASHTO) estimates that between 1993 and 2015 construction costs will increase more than 70%.
- Revenues must be increased to restore the purchasing power of the highway and transit programs. For highways, AASHTO estimates an increase from \$43 billion in 2009 to approximately \$73 billion 2015 is needed. For transit, investment in the federal program must grow from \$10.3 billion in 2009 to \$17.3 billion in 2015.
- The Texas Transportation Institute reports that worsening traffic congestion in cities creates a \$78 billion annual drain on the U.S. economy.

Manufacturing

- Staying competitive in the changing global economy means shifting from large inventories and consolidated shipments to leaner inventories and smaller, more frequent shipments that support just-in-time (JIT) manufacturing and replenishment-on-demand retailing.
- In the manufacturing sector, congestion, deteriorating travel-time reliability, and escalating costs drain away the benefits of global supply chains and JIT manufacturing.

Retail

- Retail accounts for 7% of U.S. GDP and about 11% of U.S. jobs.
- Port congestion, limited highway and transcontinental rail capacity, and mounting metropolitan road congestion are making it difficult for retailers to ensure that they have the right products on the shelves at the right time and at the lowest prices.
- Nearly 40% of U.S. containerized imports enter the U.S. through the ports of Los Angeles and Long Beach, CA. Port congestion and the risk of interrupted supply are constant concerns.

Agriculture & Natural Resources

- The agriculture and natural resources sector accounts for 1.9% of the nation's jobs, but generates 4.3% of GDP.
- The agriculture and natural resources sectors depend on efficient, reliable, and low-cost transportation to move U.S. agricultural commodities to trade gateways for export.

The Services Industry

- The services industry needs access to large markets and big pools of skilled workers to keep costs down.
- Congestion has forced many businesses to add extra centers across metropolitan areas, subsidize employee commuting costs; and add drivers, equipment, and travel time to ensure delivery of their services to customers.

Transportation Services

- Industry and household spending on transportation accounted for nearly 10% of U.S. GDP in 2006, or about \$1.3 trillion, much of it spent to purchase transportation services.
- The demand for freight transportation will nearly double by 2035, pressing the capacity of the nation's water, rail, highway, and air freight transportation systems.