
Press Release

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SCAG Lauds ‘Grow America Act,’ Urges Congress to Act Swiftly on Transportation Funding Reauthorization

LOS ANGELES – The nation’s largest metropolitan planning organization on Tuesday hailed a multi-year transportation bill being introduced to Congress as essential to American competitiveness and economic vitality, and urged Congressional lawmakers to act in a spirit of bipartisan resolve before the transportation funding bill expires September 30th.

“We’re putting our public safety and our ability to create and support jobs at the mercy of an aging and underfunded transportation system,” said Hasan Ikhata, Executive Director of the Southern California Association of Governments. “These are not bipartisan issues, but urgent priorities for us as a nation. American families and workers deserve a safe, reliable and efficient transportation system that moves people and goods into the 22nd Century. Our nation is falling behind other countries, Americans deserve better.”

Earlier Tuesday, U.S. Transportation Secretary Anthony Foxx formally unveiled the Grow America Act, the Obama Administration’s four-year, \$302 billion surface transportation reauthorization legislative proposal. The legislation comes as the House and Senate face looming deadlines on two key transportation funding vehicles. The current authorization bill – Moving Ahead for Progress in the 21st Century (MAP-21) will expire September 30th. In addition, the Highway Trust Fund, which pays for highway improvements via the 18.4 percent federal gas tax, is projected to run out of money by late summer– the result of more fuel-efficient cars, alternative fueled cars and resistance to raising the tax rate since it was last raised in 1993.

“Failing to act before the Highway Trust Fund runs out is unacceptable – and unaffordable,” Foxx said. “This proposal offers the kind of job creation and certainty that the American people want and deserve.”

A key component of the Grow America Act is the inclusion of \$10 billion for a first-of-its-kind national freight program, which would have enormous significance for Southern California workers and logistics and manufacturing sector. The region is home to one of the country’s most important goods movement networks, moving more than 1 billion tons and \$2 trillion worth of goods each year. According to SCAG research, goods movement and related industries account for roughly one-third of all jobs and economic activity in Southern California.

“Ensuring the efficient, safe delivery of goods through our region is key to our being able to sustain our economy and continue to create jobs,” said Hasan Ikhata, Executive Director of SCAG. “Even a 5 or 10 percent loss in market share for our freight industry would hurt Southern California job recovery and Southern California workers.”

Last week, Ikhata joined representatives from the United States, Mexico and Canada, business leaders and regional planning agencies from across the country to discuss the impact of inadequate

transportation infrastructure on American competitiveness. The NAFTA NEXT conference, held in Chicago by the Coalition for America's Gateways and Trade Corridors, concluded that the biggest threat to American competitiveness isn't the cost of manufacturing, but moving goods across a broken freight network that leads to expensive delays for shippers and higher prices for consumers and businesses. The average American consumes 40 tons freight goods per year according to a US Department of Transportation recent study. Dedicated funding for a national freight program would be an essential step forward, the experts said.

"The Administration's innovative approach will create jobs for American workers and also help both small and large communities across America by enabling transportation planners to prioritize freight projects that allow businesses to move goods to consumers and foreign markets," said Sharon Neely, SCAG Deputy Executive Director and CAGTC Chairman. "We thank the Administration for hearing our call and hope Congress will seriously consider this tactic for prioritizing investment in freight infrastructure to keep our nation globally competitive."

The Grow America Act released on Tuesday will invest in America's national infrastructure network, increase safety and efficiency, and provide greater access to ladders of opportunity, all without adding to the deficit.

Specific elements include:

- Addressing the shortfall in the Highway Trust Fund and providing an additional \$87 billion to address the nation's backlog of deficient bridges and aging transit systems.
- Creating millions of new jobs to ensure America's future competitiveness.
- Increasing safety across all modes of surface transportation, including increasing the civil penalties the National Highway Traffic Safety Administration (NHTSA) can levy against automakers who fail to act quickly on vehicle recalls.
- Providing certainty to state and local governments that must engage in long-term planning;• Reducing project approval and permitting timelines while delivering better outcomes for communities and the environment.
- Bolstering efficient and reliable freight networks to support trade and economic growth.
- Creating incentives to better align planning and investment decisions to comprehensively address regional economic needs while strengthening local decision-making.

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About SCAG

SCAG is the nation's largest metropolitan planning organization, representing six counties, 191 cities and more than 18 million residents. SCAG undertakes a variety of planning and policy initiatives to plan for a livable and sustainable Southern California now and in the future. For more information about SCAG's regional efforts, please visit www.scag.ca.gov.