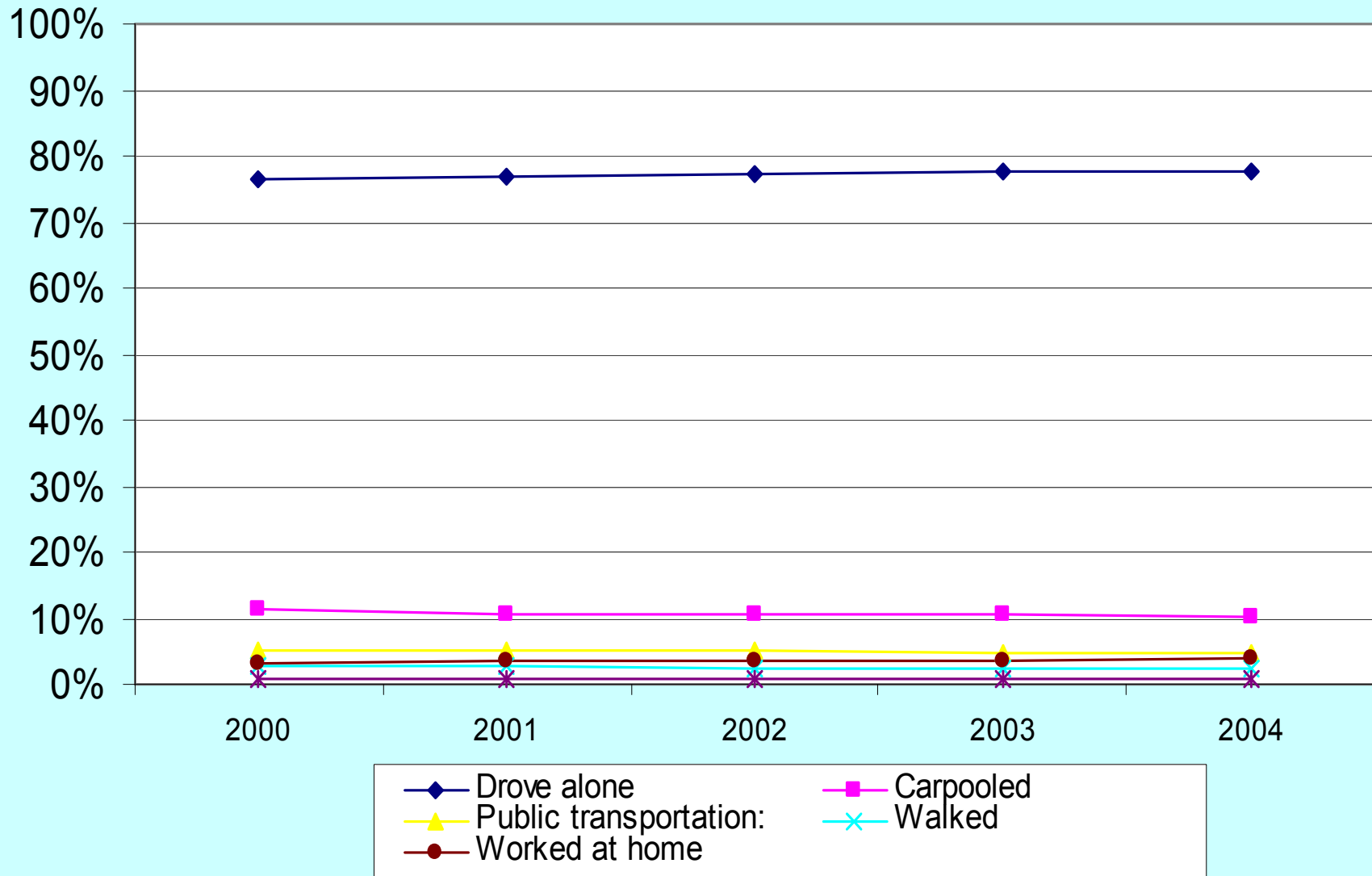


THE NATIONAL SURFACE TRANSPORTATION POLICY AND REVENUE COMMISSION

Surface Transportation
Program and Finance History

Peter J. “Jack” Basso
May 25, 2006

Commuting Trends 2000-2004



THE NATIONAL SURFACE TRANSPORTATION POLICY AND REVENUE COMMISSION

- Post 1789 Toll roads emerge to meet the needs of commerce and mobility
- 1916 The Federal-aid Road Act signed by President Wilson
- 1944 President Roosevelt signs designation act
- 1954 President Eisenhower envisions the Interstate Highway System
- Clay Committee appointed to study the options

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- Recommendations
 - \$101 billion in highway needs
 - Federal share \$30 billion over ten years
 - Interstate System \$27 billion of the total
 - Financed by bonds sold by Federally created corporation
 - Gas tax used to pay the bonds off

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- 1955-Congress acts and defeats the proposal 2 to 1
- 1956- Congress abandons the Bond approach
 - Creates the Highway Trust Fund
 - Authorizes \$27 billion of for the Interstate System
 - Gas tax increased by 1 cent 1959

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Gas Tax History

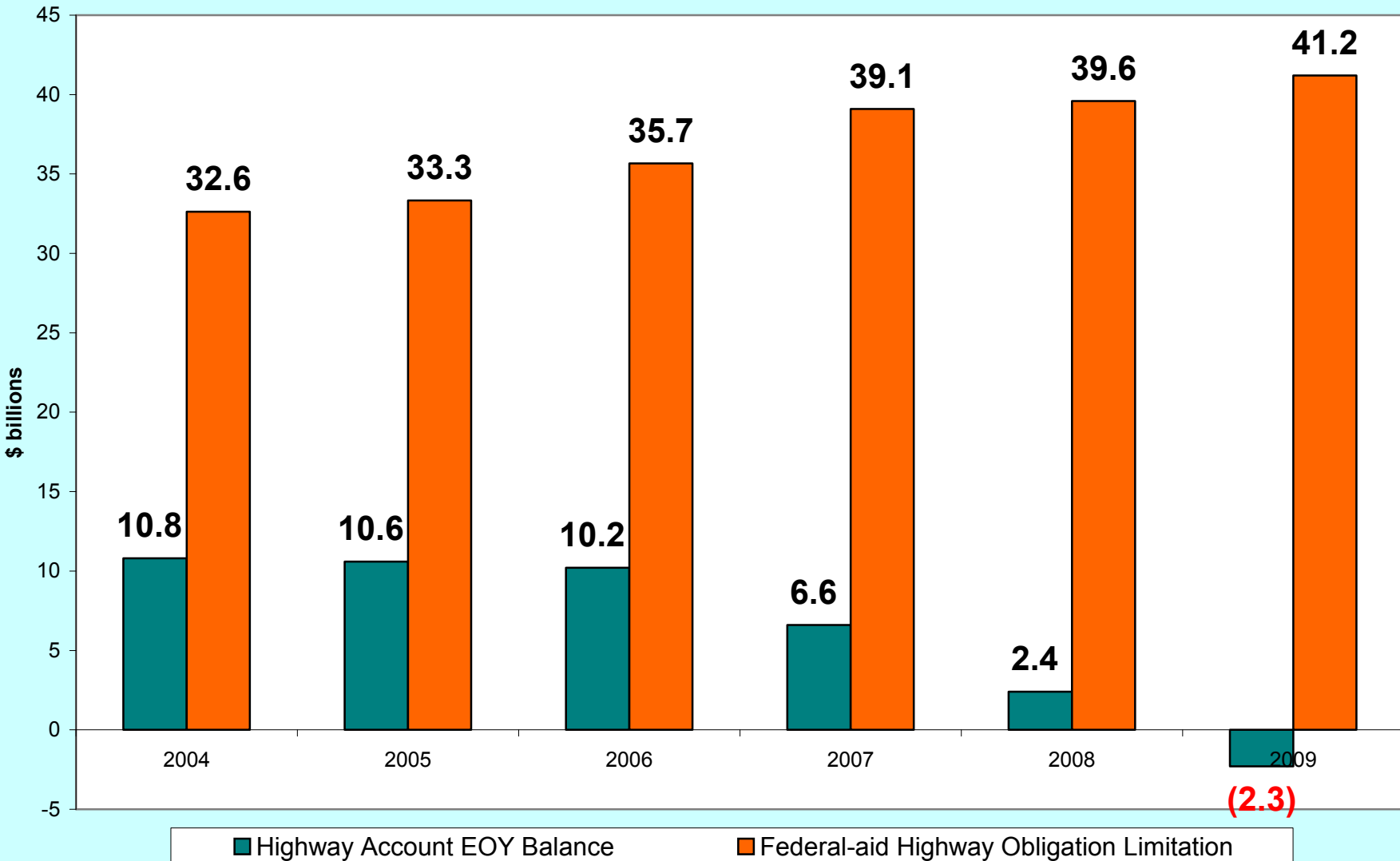
- Increased by 5 cents 1982
- Increased by 5 cents 1990 ½ deficit reduction
- Increased by 4.3 cents 1993 deficit reduction
- 1998 transferred to the HTF

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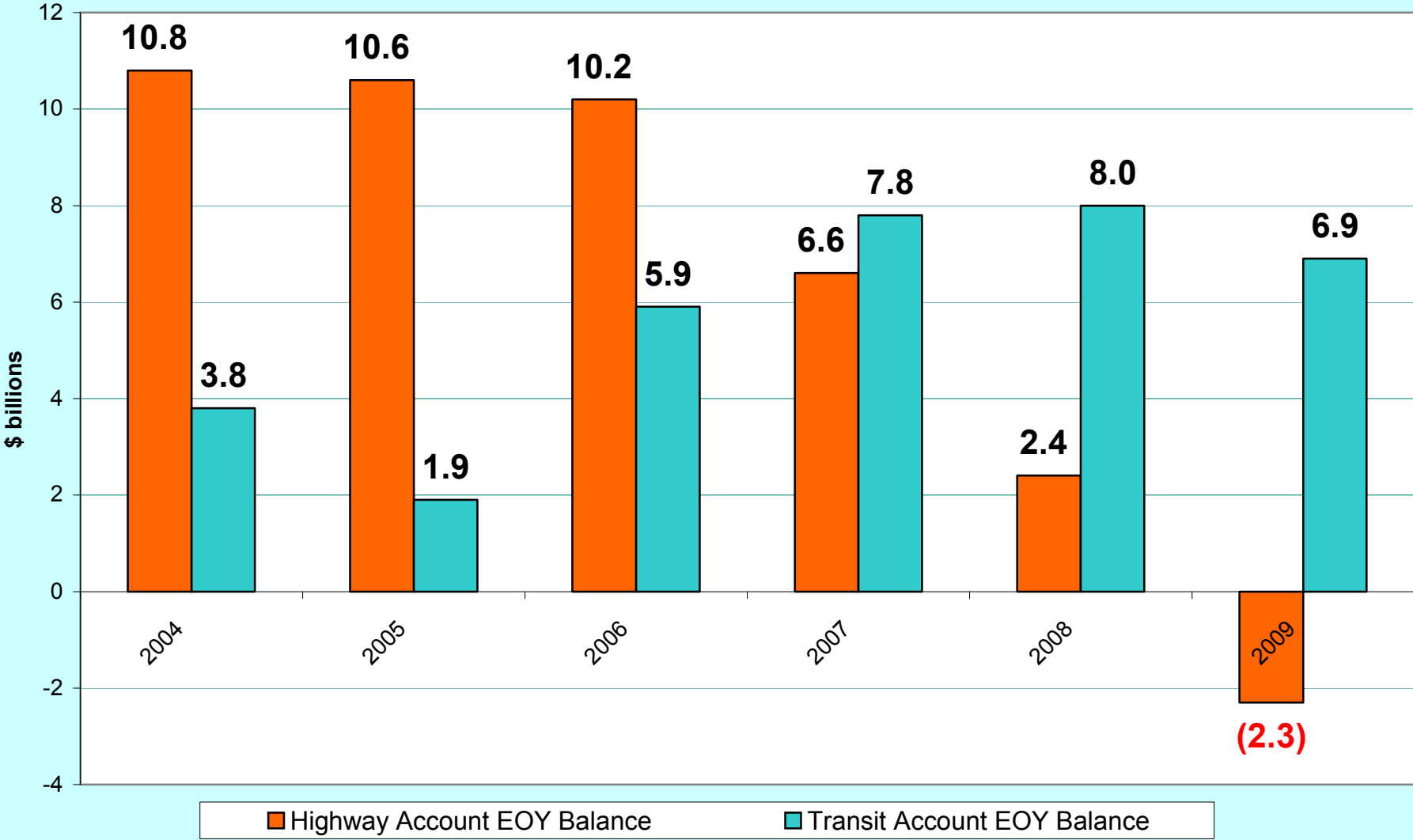
PROGRAM CHANGES

- ISTEA 1991 Changed the program
- National Highway System Act 1995
- TEA-21 Major changes to funding methods

Highway Account Balance vs. FAHP Obligation Limitation

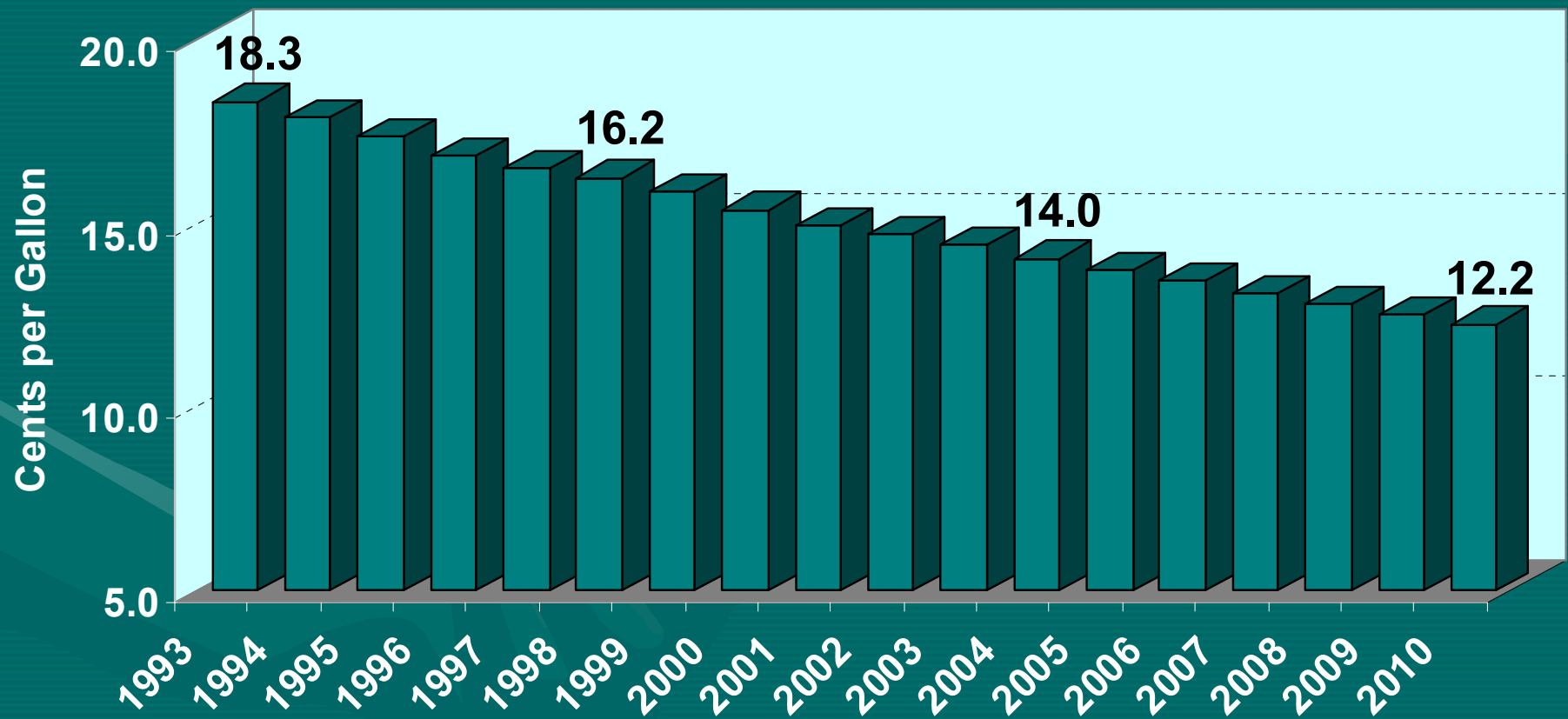


Highway and Transit Account Account Balances



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Gas Tax Purchasing Power Erosion



THE NATIONAL SURFACE TRANSPORTATION POLICY AND REVENUE COMMISSION

- History repeats itself
- Recommendations may affect the next fifty years
- A clear vision is essential