
Economic Cost of Failure to Build & Maintain our Transportation Infrastructure

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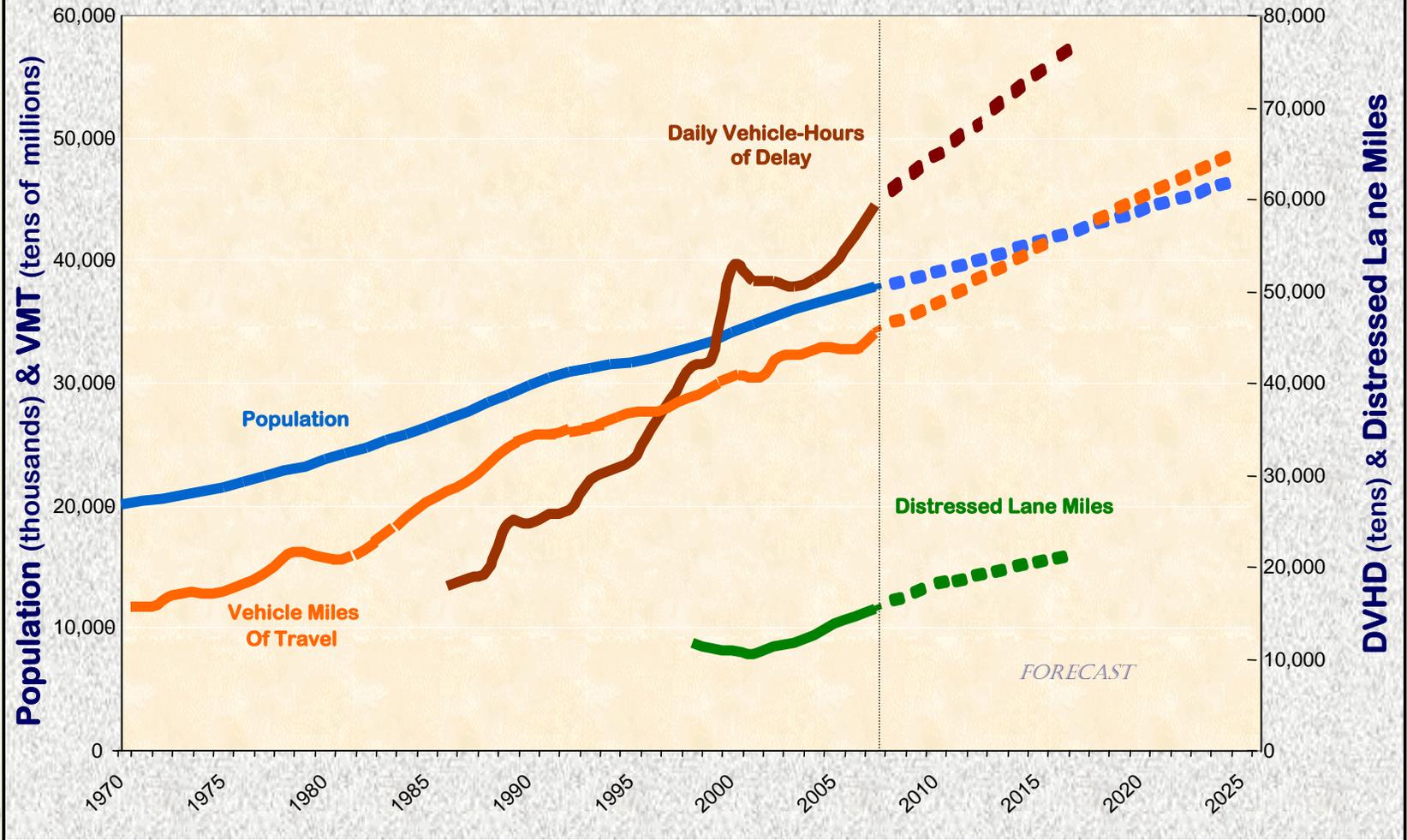
California Economy

- With a GSP of \$1.8 trillion, California is the 8th largest economy in the world. The GSP doubled between 1995 and 2007, due to higher labor and business productivity (10+%) compared to the rest of the nation.
- Significant federal & state investments from the mid-1950s to early 1970s in transportation infrastructure provided mobility and capacity that has sustained the population and economic growth.

Statewide Trends:

- Since 1970, population has almost doubled (from 20 to 38 million), travel has tripled (200%), and GSP in constant dollars has almost quadrupled (270%).
- Population projected to grow by another 10 million in the next 20 years, and travel by another 45%.
- Between 1998-2006, freeway congestion in the state has increased by 34%, and in major urban areas more than half of the roads are in poor condition.

Population, Travel, Freeway Congestion & Distressed Lane Miles in California



Traffic Congestion

- Recurrent traffic delays on major urban freeways was 560,000 vehicle-hours per day in 2006 (or 615,000 person-hours per day).
- The daily delays also resulted in 964,000 gallons of excess fuel consumption, and 280 tons of emissions per day.

Pavement Conditions

- According to The Road Information Project (TRIP), 65% of major roads and highways in Los Angeles are in poor condition, 62% in SF Bay Area, and 46% in Sacramento.
- Poor pavement conditions in LA resulted in \$778 per year in additional vehicle maintenance cost, \$760 in Bay Area, and \$655 in Sacramento.
- If all drivers in the state's four major urban areas (60% of population or about 18 million drivers) pay an average \$700 per year in additional vehicle maintenance costs, the total annual cost due to rough roads would be about \$13 billion.

Cost to the Economy

- Traffic delays and rough roads increase cost of travel and cost of doing business, result in loss of productivity and standard of living.
- The 615,000 person-hours of delay per day in terms of labor earnings (@\$22/hour) cost \$13.5 million a day, or \$3.5 billion a year.
- The lost earnings would be equivalent to 77,000 full-time jobs.
- Job losses translate into \$8.5 billion loss in GSP.
- Due to rough roads, consumers forgo \$13 billion in discretionary spending to maintain their vehicles.

PROP 1-B CMIA PROGRAM

- Prop 1-B provided \$4.5 billion funding for Corridor Mobility Improvement Account projects on highly congested corridors.
- The CTC selected 55 projects for CMIA for a total cost of \$10 billion.
- The CMIA is estimated to save a total of 450,000 person-hours of travel time per day, valued at \$6 million.
- In addition to long-term economic benefits from improved facilities, the construction expenditures would support 80,000 jobs.