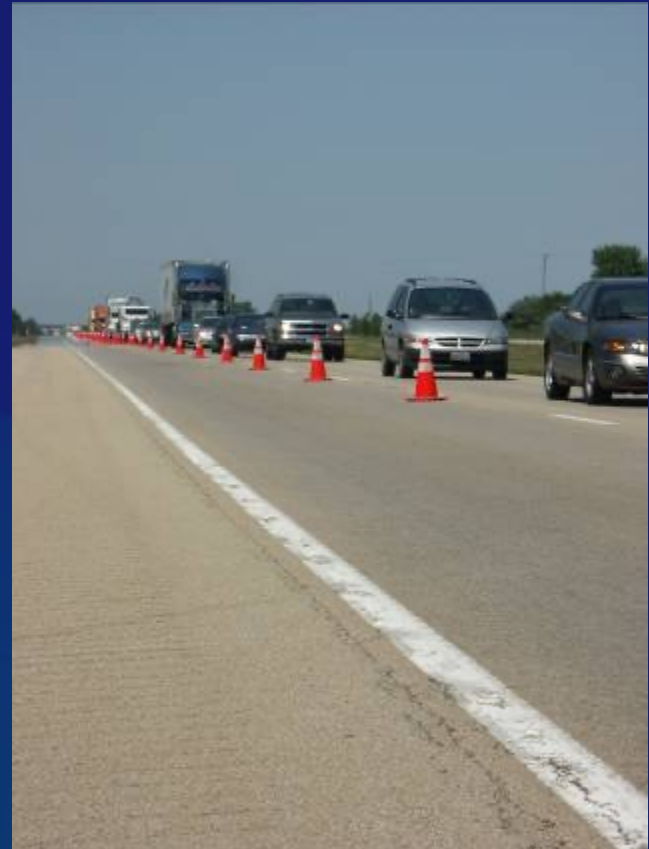# The Future of Transportation and Energy

John Horsley, Executive Director

AASHTO

Beyond Oil: Transforming Transportation

September 4, 2008, Redmond, Washington

Climate Change Policy Challenge

- Transportation produces 30% of U.S. CO^2 emissions

- Highways produce 72% of transportation's share

Carbon Emission Reduction Strategies

- Increase fuel efficiency
- Decarbonize Transportation Fuels
- Reduce Rate of Growth in VMT
- Reduce Congestion

Fleet Fuel Efficiency

CAFE mandate of 35 mpg by 2020

High gas prices causing accelerated shift to fuel efficient vehicles

100 mpg not an uncommon expectation for Plug-in, Hybrids like Chevy Volt
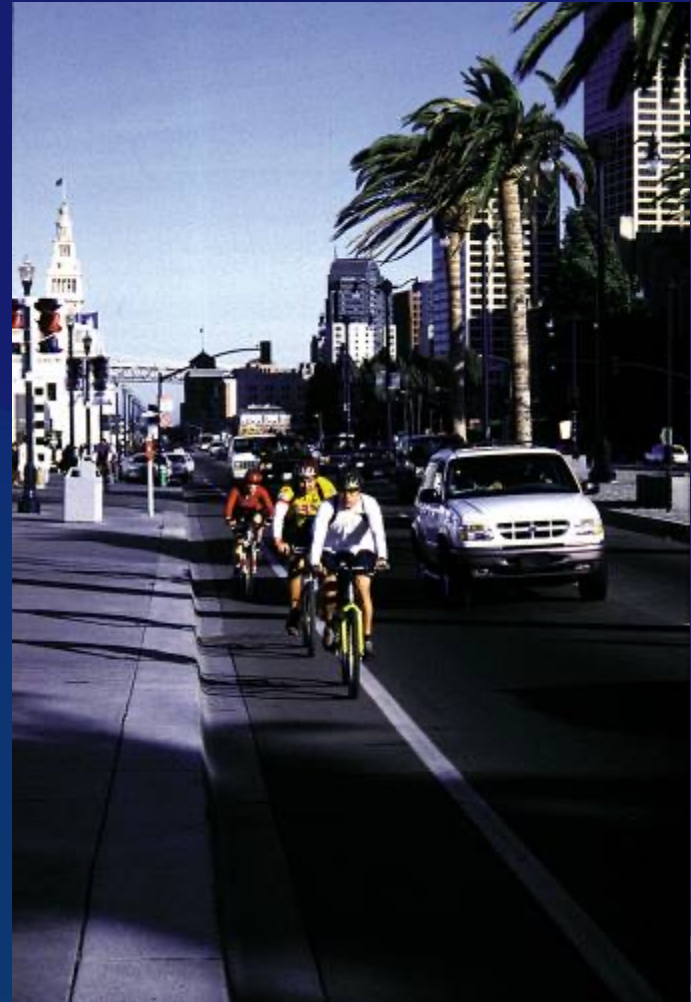
Reduce Travel Demand

- Policy Goal: Cut VMT growth rate by 50%
    - Instead of 2% annually, reduce it to 1% annually, close to U.S. population growth rate.
- 2050: AASHTO Scenario Shows Combination of 100 mpg fuel efficiency and VMT growth rate of 1%, reduces Carbon Emissions 68% below 2005 levels for light duty automotive fleet

Actual VMT 1992-2008, Drop from 3 Trillion 2006 to 2.95 Trillion 2008, Projections at 2% & 1% to 2030

Reduce Highway Travel Demand

- Increase trips by transit, walking and biking
- Increase telecommuting/on-line shopping
- Encourage supportive land use policies
- Shift freight to rail
- Increase Intercity passenger rail

Revised Highway Trust Fund Revenue Projections

	2004	2020
HTF Revenue Previous	$34.8 billion	$47.8 billion
HTF Revenue Revised	$34.8 billion	$41.3 billion
Difference		- $ 6.5 billion

Menu of HTF Revenue Alternatives beyond Gas Tax

Current Trust Fund Revenues $250 billion

General Fund for Transit $ 20 billion

<u>Alternatives:</u>

Diesel 13 cent increase $ 36 billion

Freight Fees $ 25 billion

Tax Credit Bonds $ 50 billion

Customs Fees (5% to transportation) $ 11 billion

Progressive Odometer Fees

   on annual VMT 1.5 cents/mile $ 51 billion

Vehicle sales tax at 2% on

   new cars, trucks, suvs $ 64 billion