

Additional Investment in U.S. Freight Needed to Improve Supply Chain Reliability

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As vehicle travel returns to pre-pandemic levels and federal transportation funding from the <u>Infrastructure Investment and</u> <u>Jobs Act</u> (IIJA) begins to reach states, it will be critical that states make additional investments to improve the efficiency and condition of the nation's freight network to minimize supply chain disruptions, according to a new report released today by TRIP.

"This latest TRIP report highlights the critical role the operation of the nation's supply chain has on economic growth and quality of life for all citizens," says Ed Mortimer, VP of transportation infrastructure at the United States Chamber of Commerce. "With passage of the Bipartisan Infrastructure legislation, new federal resources will join with state, local and private partners to modernize the freight network in a one-in-a-generational opportunity to rebuild and innovate, ensuring America's competitiveness long into the 21st century. It's time to get to work."

Signed into law in November, the <u>Infrastructure Investment</u> and Jobs Act will increase investment in highway, road and bridge projects needed to improve the efficiency of the nation's supply chain over the next five years through Sept. 30, 2026 — a 34% increase over current funding levels. "Highway bottlenecks cost the trucking industry more than \$75 billion each year, contributing to the recent surge in inflation and driving down supply chain efficiencies," says Bill Sullivan, EVP of advocacy for the American Trucking Associations. "The TRIP report provides some of the starkest evidence yet of the dire consequences of underinvestment in our nation's most critical infrastructure. IIJA provides the greatest opportunity in a generation to address these deficiencies and addressing highway freight bottlenecks must be given the highest priority by federal and state departments of transportation."

From TRIP:

- While national vehicle miles of travel dropped by as much as 40% during the pandemic, freight movement fell by just 10% by April 2020, demonstrating the resilience of the supply chain and the nation's reliance on freight movement. National freight movement, including for-hire trucking, freight railroad services, inland waterway traffic, air freight and more – peaked in August 2019, bottomed out to its lowest level in April 2020, and by September 2021 had rebounded to within 2% of September 2019, the most recent prepandemic September.
- According to the American Transportation Research Institute (ATRI), the nation's Top 100 truck bottlenecks entail Fort Lee, N.J.; Cincinnati; Atlanta; Houston and Chicago.
- According to the <u>Status of the Nation's Highways</u>, <u>Bridges and Transit: Conditions and Performance</u> <u>Report to Congress</u> released by the United States Department of Transportation, the United States would need to increase annual road, highway and bridge investment by 55% over the current level of highway investment to make significant improvements in road and bridge conditions, reduce traffic congestion and improve traffic safety. The nation currently faces a \$1 trillion backlog in projects needed to improve reliability, safety and conditions.

"In the short term, improving the performance of the nation's supply chain will require addressing the many supply chain challenges that are restricting the timely movement of freight," says Dave Kearby, TRIP's executive director. "But, ensuring that the nation's long-term goals for economic growth and quality of life are met will require investing adequately in an efficient transportation system that will provide the U.S. with a reliable supply chain."