

Transportation in North Carolina:

Making the Good Roads State into the Good Transportation State

September 2009

Executive Summary

As with many concerns in the state such as education, health care and public safety, our transportation system faces numerous challenges. In the next few legislative sessions, lawmakers must determine how we address transportation needs and prepare for the future. Our current transportation funding model is untenable. It fails to adequately prepare for population growth in the face of declining revenue. The outcome will adversely affect our ability to attract and retain businesses and talent as well as citizens' quality of life and safety.

The economic climate in North Carolina has been anything but comforting in 2009. From job losses and soaring unemployment to shrinking state revenues and budget gaps, our leaders have faced one hurdle after another resulting from the current recession. However, while exacerbated the current recession, shortfalls facing transportation funding are not new. Vehicles have continued to become more fuel efficient which has diminished the buying power of the state's motor fuels tax.



Construction costs have also risen greatly, further exacerbating the gap between revenue and costs. In short, the money raised for transportation has not kept pace with the higher costs to maintain and improve the system, much less prepare for projected population growth.

There are real world consequences to having a transportation system that is inadequate in terms of its physical condition and its capacity to serve users. In our urban areas, Charlotte drivers waste an **additional \$876 and 27 gallons of gas** per year as a result of rush-hour traffic congestion and delays due to inadequate roads. On average, drivers in our state spend an **additional \$251** due to poor road conditions—dollars spent on replacement tires, front-end alignments and other damage. Nationally,

more than half of vehicle crash fatalities occurred in accidents where road condition contributed to the crash occurrence or severity.

Businesses and economic development suffer as a result of an inadequate transportation system. Traffic delays, wrecks due to road condition and excess vehicle road wear drive up costs. The movement of workers, goods and services depends upon safe and efficient mobility options. Unfavorable transportation or logistics situations can cause businesses to relocate to better locations. And new industries considering our state weigh our transportation system against other states' systems. The condition of our overall transportation system impacts North Carolina's ability to recruit businesses and create jobs.

The following report reflects a compilation of several studies issued recently regarding highway safety and the costs of poor roads, bridges and traffic congestion. Additional information from the NC Department of Transportation on road and bridge conditions and recovery funds provides further context for the discussion on the current status of transportation in North Carolina.

At the conclusion of this report we provide several options available to the state in planning to meet future revenue needs. *NC Go!* does not favor any single plan over another, but simply suggests all options be considered and that any solution be equitable in gauging how each user pays for their share of highway, bridge and public transportation consumption.

Bottom line—doing nothing is not an option. Difficult decisions must be made about the course our state should take to reform transportation funding. To adequately prepare for the future, there will be a cost associated. But, doing nothing will cost far more in the long run.