

Conclusion

“How we will address the challenge over the next twenty-five years....”

With total travel conservatively expected to increase another 50 percent over the next twenty-five years and truck traffic alone expected to increase 46 percent; our roads will be utilized more than ever before and good intermodal connections providing access to airports, rail lines and riverports will be essential for the movement of freight through our Commonwealth. There is no better way to jumpstart a state's economy than to make a sizeable investment in transportation infrastructure. The most obvious benefits of highway investment are the time savings, enhanced safety, and vehicle operating cost reductions experienced by the highway users themselves. However, construction and maintenance of highway facilities can also help local, State, regional, and national economies grow by attracting new businesses and by provided access to new markets.

According to the U.S. Department of Transportation publication, *Highway Infrastructure Investment and Job Creation*, highway investment to reduce congestion and improve levels of service can boost the productivity of U.S. Firms by

lowering their shipping and logistics costs. In addition to the cost savings for the highway users and the economic boost provided through highway investment, there are also other benefits that come from putting money into repairing, expanding and enhancing state highways, such as providing better connections between and to other transportation modes.



Here are just a few examples of the economic benefits realized from investing in transportation infrastructure.

- Every \$1 billion of Federal-aid highway investment creates 42,100 jobs. (Source: *Highway Infrastructure Investment and Job Creation: A Look at the Positive Employment Impacts of Highway Investment*, 1996 and 1998, U.S. Department of Transportation, Federal Highway Administration)
- Every \$1 billion of Federal-aid highway investment combined with a state matching fund ratio of 20 percent (total of \$1.25 billion in spending) could generate 47,576 person-years of employment. (Source: *Evaluating Federal-aid Highway Construction Program Employment Impacts and Productivity Gains*, 2000, U.S. Department of Transportation, Federal Highway Administration)
- Every \$1 billion invested in transportation infrastructure generates more than \$2 billion in economic activity. (Source: *Benchmark Input-Output Accounts for the U.S. Economy*, 1992, U.S. Department of Commerce, Bureau of Economic Analysis, as quoted in *An Economic Analysis of the U.S. Transportation Construction Industry: A \$160 Billion Industry Employing 2.2 Million Americans*, Buechner, American Road and Transportation Builders Association, 1999)
- Every \$1 billion invested in highway construction creates a \$54 million boost in federal income and social security taxes, and a \$6 million jump in state and local tax revenues. (Source: *The Road Ahead, Economic Transportation Alliance for Kentucky*, 2006)
- Every \$1 invested in highway construction and maintenance yields \$6 in economic productivity because of reduced delays, improved safety, and reduced vehicle operation costs. (Source: *U. S. Department of Transportation Study*, 2000)



- Every \$1 invested in highway construction generates \$1.80 of gross domestic product in the short term. (Source: *The Road Ahead, Economic Transportation Alliance for Kentucky, 2006*)

Addressing Kentucky's Transportation Needs is a critical issue for the safety and economic well-being of our Commonwealth. The Kentucky Transportation Cabinet is responding to our fiscal challenges by carefully considering where and how our dollars will be spent. Kentucky will first identify the priorities which meet the goals of our Commonwealth. Second, Kentucky will utilize appropriate and realistic analysis tools and data to assist us in determining the most efficient use of our limited funds. Finally, Kentucky will continue to pursue increasing the level of funding for our transportation system which will allow more aggressive efforts to reverse the trends of deterioration, offer cost savings to Kentucky's transportation users, and afford economic opportunities for more businesses and citizens across Kentucky.



Kentucky's strategic geographic location and its system of terminals, riverports, enterprise zones, warehouse facilities, ports of entry, and foreign trade zones link with an intermodal transportation system of rail lines, inland waterways, and highways to form a network with the world.

By highway, river, rail, or air, Kentucky offers unique advantages for transportation, distribution and export, and provides new opportunities for capitalizing on North American markets and global trade. The increasing level of partnership among trucking, rail, and other shipping firms, and the development of efficient, integrated transportation systems throughout the industry, places the Bluegrass State in the position to become a 21st century leader in global transportation opportunities.

