

9. None of us can predict the price of fuel. But I think we can all agree it won't be going down significantly anytime soon and most assuredly never will prices be back to levels seen in the 1980's or 1990's or even the levels of just a few years ago. So those who argue because fuel prices are high so we can't raise our gas tax, then the next question must be; if not now when?
10. A one-cent increase in the gas tax raises approximately \$23 million annually.
11. Revenue from the gas tax is constitutionally protected. All money must go to improving our streets and roads. Gas tax revenue cannot be diverted to any other cause.
12. The gas tax is the only source of revenue we can collect from people who reside outside of Iowa, but use our roads. The Iowa DOT estimates out-of-state drivers generate 20% of the total travel on Iowa's roads.
13. Since the year 2000 the total money coming into the road fund has remained relatively flat. However, increasing cost has eroded buying power. From 2004-2008, the construction cost index (based on actual contracts) grew by 67%, the largest five-year increase since 1986 when the cost index began being tracked. Buying power in 2010 is 24% less than it was in 1997!
14. Since 2003 alone the Road Use Tax Fund has lost over half a billion dollars in buying power.
15. In 1989, the last time the gas tax was increased, it cost approximately \$144,000 to resurface one mile of two lane road. Today that same road would be closer to \$300,000! How can anyone expect to maintain the roads at the same level as 1989, when cost of materials and services have grown by over 100% in many cases?
16. Democrats and Republicans alike have said this legislative session is about jobs! There are few, if any, actions the legislature could take that would more quickly create jobs in Iowa

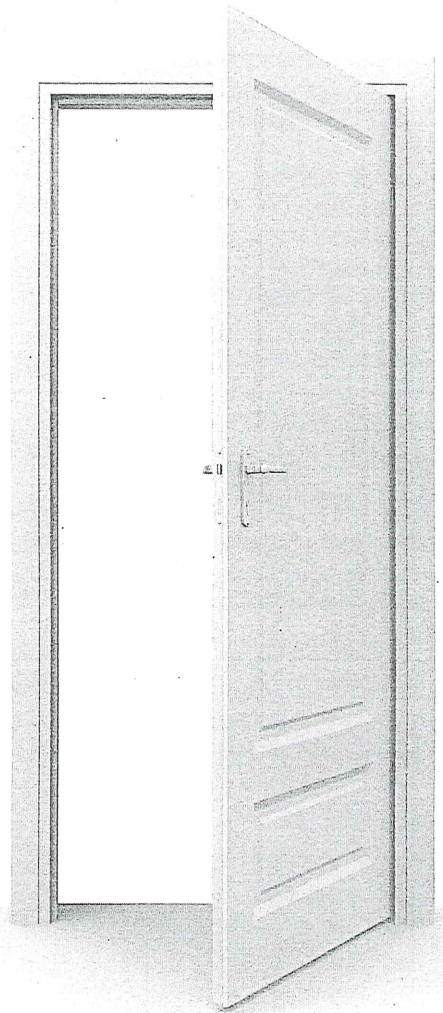
than a \$215 million investment in our roads and bridges. According to a 2007 study from the Federal Highway Administration a \$220 million investment in roads would create over 5,500 new jobs in Iowa. Unlike many actions taken by the legislature the results of this investment would be almost immediate.

17. Iowa's roads are among some of the worst in the country according to the 2010 annual report by Reason Foundation (from information submitted by Federal Highway Administration):
  - Only 12 states have rural interstates in worse condition than Iowa\*
  - Only 7 states have urban interstates in worse condition than Iowa\*
  - Only 4 states have rural arterial roads in worse condition than Iowa\*
  - Iowa ranks third in the nation in the number of bridges that are "structurally deficient."
  - Only 16 states have more bridges that are "structurally deficient or functionally obsolete."
18. Iowa State University economist David Swenson said a 10 cent gas tax increase would cost a typical family only about \$32 more each year. "We're not talking about a tax that's going to have a significant impact on your average household," he said. Creighton University economist Ernie Goss said a "poor road system would hurt the ability for Iowa's economy to expand."

**Keep the door open.  
Let's set politics aside and  
debate this issue on the facts.**

**Iowa Good Roads Association**  
100 Court Ave., Ste. 203, Des Moines, IA  
515-284-7410

**Let's Keep the Door Open for  
a Discussion on Increasing  
Road Funding in Iowa.**



***A Discussion Based on Facts.  
Not Politics.***

We understand increasing taxes or fees is something legislators do very cautiously. And that's the way it should be.

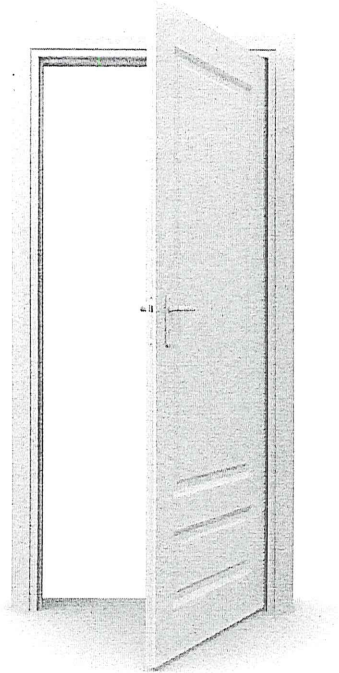
We also understand both legislators and the public need to be educated on the condition of our roads and bridges. The public needs to be assured every action possible has been taken to improve efficiencies in our road system and they need to trust every step possible has been taken before the state even considers increasing the gas tax.

We invite you to talk to your constituents, but when you talk to them we also ask for your help in educating your constituents on what has brought us to where we are today as we consider increasing road funding in Iowa.

1. Governor Branstad's Transportation 2020 Citizen Advisory Committee presented a study this fall identifying the need for an additional \$215 million annually in the road fund to meet our critical needs. Critical needs! Not wants, but needed improvements and repairs.
2. We don't need another study kicking the problem down the road for some future legislature to consider. What we need is action now. We've had enough studies.
  - The Iowa DOT joined with the cities and counties to do an ad hoc study in 2002.
  - The legislature directed the Iowa DOT to undertake another study in 2006.
  - The legislature called for the Iowa DOT to perform another study in 2008.
  - Governor Branstad appointed the Transportation 2020 Citizens Advisory Task force to study the condition of our bridges and roads in 2011.
3. Delaying action now to address the \$215 million in critical needs will only increase costs for Iowans in the future. A study by the Association of State Highway Transportation Officials reported every dollar spent to maintain a road today reduces future repair costs from \$6-14 dollars. Think of it this way: Let's say you have a leak in your roof that would cost

\$500 to fix today. Delaying that repair for five years could well cost you several thousands of dollars in repairs as that leak wears away at the structure of your roof. Delaying action now will only cost Iowans more in the future.

4. The gas tax has not been increased in Iowa since 1989. This is the longest period in the history of the state that the legislature has gone without increasing the gas tax. The previous record was during the great depression to the end of World War II. Times may be tough now, but they are certainly not as tough as they were at that time.



5. The Governor has called upon the Iowa DOT to identify at least \$50 million in efficiencies with the money saved going to road projects. We commend the Governor and the Iowa DOT for their efforts. Iowans deserve to know every dollar collected by the state is used in the most efficient manner possible. However, we would ask you to study these efficiencies to see if they are one-time savings or do they

represent revenue that can be counted on year after year. We would also remind you, regardless of what these savings are; the money can be used on only the state system. These efficiencies will not put one single dollar into our country roads or city streets. It is naïve to think we can realize enough savings to forgo an increase in the gas tax.

6. Efficiencies are not something we have just now begun to implement:
  - The Iowa DOT has reduced staff by 750 people since 2002.
  - The Iowa DOT has closed 39 field offices and garages across the state.
  - Counties have reduced road staff by over 300 employees in the past 10 years.
  - Cities across Iowa have taken similar action faced with fewer dollars and increased repairs and maintenance.
  - Over 712 miles of state roads were identified as being more efficiently maintained through a transfer of jurisdiction and funds to cities and counties.
  - Iowa law was changed to allow boards of supervisors to initiate a change in county road classification to a level "C" reducing repair and maintenance costs.
7. There are those who say we can't increase the gas tax at a time when the price of fuel is so high. According to the CATO Institute gasoline prices would have to be \$5.17 per gallon to have the same impact as 29-cent gas did in 1955. The average price of gas in 1981 was \$1.38 per gallon. Adjusted for inflation and disposable income the price of gas today would have to be \$4.30 to have the same impact on your pocketbook today.
8. A 2-cent gas tax was first imposed in Iowa in 1925. Adjusted for inflation today that same 2-cents would be the equivalent of 40 cents. The Iowa legislature in 1925 had the courage to do what was necessary at the time to improve Iowa's roads. Will today's elected officials have that same courage?