



## **ADDRESSING ROAD AND BRIDGE NEEDS**

**South Carolina Chamber of Commerce  
October 2007**

### **Objective**

To revitalize efforts to maintain, repair, and expand South Carolina's roads and bridges to improve safety and achieve prosperity through expanded economic development.

### **Background**

The South Carolina Department of Transportation (SCDOT) is responsible for maintaining nearly 42,000 miles of roads and bridges, 62 percent of South Carolina's total road network, including:

- 30,000 miles of secondary roads, which is one of the largest state-maintained secondary road systems in the nation;
- 830 miles of interstate; and,
- More than 8,330 bridges.

The SCDOT is responsible for three times more roads than any other state in the nation.

South Carolinians spend more than \$500 million per year in vehicle repairs as a result of poor road conditions. South Carolinians spend an average of \$227 per automobile per year in additional maintenance on their vehicles due to poorly maintained roads.

Currently, South Carolina ranks near the bottom in the nation in per capita expenditures for roads, highways, and bridges according to national data.

In 1970, state-source highway funding represented 17 percent of the state budget. Today, it represents 6 percent.

### **Situation**

South Carolina currently has the 8<sup>th</sup> highest highway fatality rate in the nation. Daily, three people lose their lives in automobile accidents. Eighty-five percent of highway fatalities occur on primary and secondary roadways, which are the most traveled roadways in South Carolina carrying 74 percent of all traffic.

One out of every five bridges in the state is deficient.

Because of financial restraints, SCDOT for the past several years has been forced to abandon its secondary road resurfacing program on roads that are not eligible for federal funding. Currently, approximately half of secondary roads are in poor or mediocre condition. Also, key new road

developments have been delayed, having a potential long-term impact on personal prosperity because of the negative impact on global economic development and growth.

South Carolina relies almost solely on one of the lowest motor fuel user fees in the nation to fund roads. At 16-cents per gallon, the user fee has not increased since 1987 and is the 5<sup>th</sup> lowest in the nation. It has remained flat while the Consumer Price Index (CPI) has grown 81 percent, and traffic has increased 65 percent. Other states have diversified their road funding and charge higher motor fuel user fees.

In 2005, the South Carolina General Assembly passed a highway funding bill that redirected approximately \$68 million in fees from the General Fund into highway-related accounts. After a full three-year phase-in period, about \$34 million is expected to go to the State Non-Federal Aid Highway Fund for maintenance, and about \$34 million will go to the State Infrastructure Bank (SIB) for new projects.

Numerous proposals have been discussed for new, dedicated, and recurring revenue sources, such as a motor fuel user fee increase, to provide additional funding for road maintenance and road construction. Many, including the South Carolina Chamber of Commerce, have first called for the General Assembly to redirect all related highway monies back to road construction and maintenance.

The South Carolina General Assembly had \$1.7 billion in new dollars available for the 2007-08 year, but unfortunately failed to allocate dollars from the General Fund to the state's deteriorating and dangerous road infrastructure.

### **S.C. Chamber Position**

In order to help save lives and create a more simplified, balanced tax system to adequately fund road and bridge maintenance and construction, the South Carolina Chamber of Commerce supports:

- Redirecting all highway user fees that currently are being diverted to the General Fund to the SCDOT Highway Fund;
- Transferring surplus dollars in the General Fund to supplement SCDOT as an alternate source of revenue to enhance infrastructure, after mandatory programs have been funded;
- Increasing the motor fuel user fee or finding an alternative funding source to fund critical road and bridge needs;
- Considering tolls on new highways only;
- Maintaining any new funding for highway and bridge maintenance and construction in a separate account not to be used for any other purpose; and,
- Creating a comprehensive plan for statewide transportation needs, including air transportation.