

InfrastructureUSA

Guest on THE INFRA BLOG

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Conversation with Steve Anderson, Managing Director, InfrastructureUSA

Norman Mineta

It's Time to Go Grassroots

In that report, *Are We There Yet?* we keep talking about the need for the grassroots. The top-down hasn't worked because the members of Congress have abandoned this whole issue, and so we've got to deal with people who hit potholes and have bent rims and popped tires.

So we have to take it to the grassroots. They're paying for the alignment of tires; they're paying for the replacement of their rims as they hit potholes in the basic street today. That's why we've said, "we have to do it bottom-up".

I-35W & former U.S. Representative Jim Oberstar, Chairman of the House Transportation and Infrastructure Committee

I remember the tragedy of the I-35W Bridge in Minneapolis, St. Paul. When it dropped, Jim [Oberstar] had talked about putting on an emergency bridge building program. And he talked about that on that Friday. I know the bridge fell on Wednesday, and he talked about an emergency gasoline tax. And by Tuesday he was backing away from that himself. And then USA Today had an article about a month and a half later, with something like 53% of the people saying, "No, we don't need any emergency bridge tax."

So when you roll the clock forward to today, and given the deficit issue, and everything that's coming down the pipe, transportation is a 400-500 billion dollar hole on an annual basis. When you think about the issue in terms of the trillions of a total budget, or in terms of GDP, it becomes so small that even in the eyes of Congress it gets dwarfed by the health issue, or Medicare, social security, defense, other things. I'm not that sanguine about the conference report actually coming out of what the House and Senate may be doing. Part of the problem is that everyone takes transportation for granted, until it's denied them. And even if it's denied them, the shelf life of that concern is maybe about 45 days. Then the whole attention dissipates.

We Discuss; Other Nations Invest

Look at the 2010 election where there were 87 new Republicans that were elected; 77 of them were tea-partiers, and 67 of them voted 'No' on the extension bill. The problem is that the members of Congress can't make that distinction

right now, between spending less in investment, and spending less in consumption. With them, all spending is bad. Look at the big debt we have. Look at the profligated congresses of the past that have put us in this position today. And so we've got to lock down the treasury, and get ourselves out of this mess by not spending anything. Well the problem is, our economic competitors, as many economic problems as they have, are not taking their foot off the gas pedal. So whether it's general expenditures in transportation, Japan is going ahead with Maglev from Tokyo to Nagoya. That's over a 250-mile trip, and they're burrowing through those mountains now, tunneling. And the whole thing won't be ready until probably 2021, but with their problems, with 10 years of build-run, and the tragedy of the March 11 earthquake, and tsunami, and nuclear plant issue, they just ended up also giving 60 billion dollars to the World Bank for the European Economic Recovery; and we haven't put a dime in. I was with the Vice Minister of Finance two weeks ago, and I asked him, "How is it you guys, with all the problems you have, put up 60 billion dollars to help France, or to help support Germany, to help Greece and Italy, and the other European countries?" He said, "Well, because we got over 200 billion dollars of international assistance after the March 11 tragedy, so we're now starting to slowly recover," and that recovery is still going to take ten years, but they bellied up to the bar for 60 million dollars.

And China is building a 17,000-mile, high-speed train network. When we talked about high speed, we talked about going from maybe 75-80 to maybe 95-100. Well, Japan on the Maglev is going to be doing 300+. Their high-speed trains right now do 200 miles. China is 212 miles an hour I think. So, for whatever reason, they're plowing ahead. And my fear is that in 15 years, our trousers are going to be down by our ankles, and we're going to say "What happened?" and they're going to look back 15 years and say "those dummies in those days, they didn't see the importance of transportation's part in the whole network."

Manufacturers

When I think of that post-World War II period, when we were going gangbusters, I think about Japan being totally defeated. As they were trying to rebuild their industries, they were starting with 1946 technology. So they rebuilt, as an example, their steel industry with 1946 technology. In 1946, we kept expanding, but based on the 1930s technology. I remember when I was a kid, my father subscribed to Fortune magazine. I'd open Fortune Magazine and the first ad I would see facing me was Warner & Swasey. They advertised their 1310 machine tool, and it was a great machine. And each year, every issue, they talked about model 1310. 1946? Model 1310, '48, '50. Meanwhile, in the 1950s, the Japanese introduced numerically controlled lathes. And today, Warner and Swasey is a distributor of Japanese machine tools. We were stuck, promoting what we had done very well for years, but we didn't do anything to improve on our own

products. And how many times have we seen this taking place?

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