

InfrastructureUSA

Guest on THE INFRA BLOG

Rod Diridon, Sr., Emeritus Executive Director, Mineta Transportation Institute

Conversation with Steve Anderson, Managing Director, InfrastructureUSA

The FAST Act: A Little Bit Better Than Nothing

I think it's better than nothing, that's for sure. The President, of course, would have liked a lot more, but the very conservative Congress right now just wasn't willing to give him what he wanted. The IEEE (Institute of Electrical and Electronics Engineers) and the International Society of Civil Engineers indicate that we're tens of billions of dollars—actually over time, hundreds of billions of dollars—behind what we need for construction and maintenance, and of course this bill was a maintenance bill. It just maintained the prior level of spending, which was inadequate. So we have a long, long way to go before we begin to compete again on the international marketplace with our transportation systems.

Where the 2015 Transportation Bill Comes up Short

Eisenhower's Interstate Highway System began in the 1950s—that's well over 50 years ago—and it's wearing out. It can't just continue to be used without heavy maintenance, and it was never completed! So we have the dichotomy of having a wonderful national highway system wearing out and still not complete, yet there's not enough money provided in that bill to even maintain the prior highway system. So we're far, far short, even with highways. Then you go over to transit and you look at President Obama's signature program which was High Speed Rail, and it wasn't funded at all. There was a token amount given to Amtrak for inter-city rail, and that was for primarily the Northeast Corridor. The Northeast Corridor really needs about \$150 billion, maybe \$200 billion to build the corridor from Boston through New York, Pennsylvania, and to Washington, DC, as a true High Speed Rail corridor. And they're giving them \$1-or-2 billion to do some upgrades. Well, that isn't going to get us there. And that's just one system in the United States. Florida is trying to do high speed rail. Texas is trying to do high speed rail. California is building it on our own because we can't get the federal help except for the little stimulus funds received back at the beginning of the Obama administration before the Congress shifted over. Now let's go on down to transit. We have transit systems all over the nation that are dilapidated. The systems going into and out of New York: some of those tunnels are really in serious need of major renovation. Those are multi-billion-dollar improvements required, and that's serving the world's financial capital, and we have to give them the help, otherwise they can't continue to lead the world. Now you look around the country, especially the Sunbelt areas: Florida, across through Texas, up through California, and clear up to Seattle. Those areas are growing very rapidly now, especially in California and Silicon Valley. We don't have the funds to build the mass transportation systems that were required to be developed and master planned by federal law. We've got bits and pieces of systems developed, and they're not working well because nobody's going to ride a system halfway to where they want to go. So

we're in the middle of trying to build a mass transportation system from the good legislation of the 80s and the 90s, and they've never been funded so they're half way done, and so those areas, the Sunbelt areas, are rapidly reaching what we call terminal gridlock, where you just can't get people to work anymore in the morning or home at night. When that happens, your economy breaks down. And your core focal points like Silicon Valley where you've got Apple and Intel and Hewlett Packard and Google and Yahoo and all the rest sitting right here, you've got a great synergistic area creating wonderful talent and ideas—well, it'll explode. They'll have to just spread out all over the place where you lose that synergy because you can't get people to and from work.

We Need User Fees to Stay Competitive

It's going to require a massive infusion of capital funding in order to catch up with the rest of the world now. China, Japan, Europe are building transportation systems very rapidly. The minimum gas prices around the world are more than double, sometimes triple, the United States. And the gas taxes are at least doubled and sometimes quadrupled; they usually quadruple the United States. And that's why the other countries have vying transportation systems. Now the public in America wants a gas tax increase: the polls show it. The polls show that if the gas tax increase will be used for transportation and infrastructure improvements, then the public supports it sometimes as high as 80%. So it takes courage now from Congress to do that job, and it's time. This bill was a halfway measure. It was better than none. It showed—first time in a long time—a willingness of Congress to coalesce around a direction, but it was not nearly strong enough, and we have to have a long-term source of capital funding and assistance to transportation in legislation in additional revenue. That probably is a gas tax, or a motor-vehicle-miles-traveled tax. But the U.S. can't do it because Congress doesn't have the courage.

Keeping the Highway Trust Fund in Business

Remember, the Highway Trust Fund is the sequestered program that can't be used for anything but transportation. It's used for highways and transit and inter-city rail. Well, actually, inter-city rail sometimes comes out of the general fund too. But we have to create a long-term funding source for the Highway Trust Fund. Well, they patched that in this bill by taking reserve funds out of the Federal Reserve and putting it into the Trust Fund. Well, that makes no sense. There's no relationship to a user fee there. Those funds could have been used for events or for social programs. So we need to fix it permanently by creating a long-term source of funds for the Highway Trust Fund. Probably a vehicle-miles-traveled fee, which then would relate directly to use. You would pay on the basis of the miles you travel on the roadway. Trucks would pay more because they weigh more, and they have more miles. Commuters would pay a little more, and those people that use the roads very infrequently would pay less, and that's fair.

**www.infrastructureUSA.org
212.414.9220
info@infrastructureusa.org**

January 2016