

# InfrastructureUSA

## Guest on THE INFRA BLOG

**Joshua Schank, President & CEO, Eno Center for Transportation**

**Conversation with Steve Anderson, Managing Director, InfrastructureUSA**

### **Sustainable Funding for Transportation**

Well I think we've never really come up with the strategy for sustainably funding our transportation network, particularly public transit. We've never decided what that's going to be post-interstate, and the interstate strategy worked for a while and it was based on a gas tax that was high enough to bring in enough revenue to build an interstate system and that is over; that paradigm doesn't work anymore. The construction of a new paradigm is challenging under any circumstances and it's particularly challenging under the current political environment. So how do we construct a new paradigm for providing sustainable funding? Well first we have to agree on exactly what it is we want to build and why and what goals we're trying to accomplish. And we haven't really even gotten to that yet.

### **Engagement at the Federal Level**

I think the public is involved in some aspects but not others. Certainly there are a lot of localities around the country, and some states, that have engaged the public and have been able to come up with a way to provide more sustainable transportation funding. There are ballot measures that by and large have been successful; sure there have been some that failed but typically ballot measures on transportation have been relatively successful. People have demonstrated a willingness to pay more when they are engaged at the state and local level. And I think that that has happened. I think at the federal level and national level it is very hard to engage people in a discussion about transportation because transportation is not something people think of when they think of federal policy, or whom they're voting for congress or for president. So on the national level I think it's much more of a political issue where you've got two parties that can't agree on anything and trying to get them to agree on how to pay for transportation investment is a tremendous challenge. Especially since you've got one party that's basically saying 'we don't want to pay for anything,' and not really distinguishing between spending and investing in the first place. So the challenge at the federal level is huge and it's still 40% of the capital investment nationally. So if you can engage people at the federal level and you've got a gridlocked political system on the federal level you've got a real challenge in there when it comes to adequately funding transportation.

### **Politicians & Citizen Engagement**

The take is really that it's up to elected officials to engage the public. I don't think

you can say the public needs to get more engaged and hope that that's going to happen. If you look at the states where they've been most successful, in making better decisions about transportation investments, those are states where they had a specific program to engage the public in the process. That's how you get these things done. You know it's true that on a nationwide basis, and often locally, people say they don't want to pay any more for transportation but they want better transportation. And those are two goals that are mutually exclusive. But the way that you overcome that is not by trying to get the public to understand that distinction, it's by engaging them in the process until they come to that realization themselves. They will never listen to elected officials who say, 'look I want to give you this brand new transportation investment, but I can't unless you pay more.' That's not going to work. You have to work with them, engage them in the process of what the goals are, what you're trying to accomplish, what the solutions might be and then when they see for themselves that it's going to take more money, they'll get behind it.

### **Money for Transportation**

We have lots of tradeoffs in how we invest the resources that are available to us. And right now at the national level, transportation is not getting any kind of political attention and is therefore not getting the kind of choices made that would result in getting more money for transportation. The problem isn't a lack of resources; the problem is where we're allocating them. And right now we're in a situation where there is little to be gained for elected officials at the federal level for spending political capital on securing more funding for transportation, they don't see the gain for that. And as a result they're not making those distinctions. Let me tell you a quick story that I think is relevant to this: the transportation union is very protective at the national level of the Highway Trust Fund and the gas tax being dedicated to transportation because they're concerned that if you don't dedicate the money to transportation that they won't get enough money. They'll get less money for transportation, if we have to compete with other priorities. And I think that's exactly the opposite strategy that we need to be taking. We need to be getting out there and compete with other priorities because when you look at the data and you look at the need for investment we come out really well. Most countries on this planet do not fund their transportation systems through a dedicated tax of any kind, transportation has to compete with other priorities and they're spending a higher percentage of GDP on transportation than we are. Because I think when you make it compete, it improves your investment decisions and it improves how transportation looks relative to other spending options.

### **Marching on the Mall**

One, the larger business community that should care about these infrastructure investments have not yet been engaged enough. The automobile manufacturers have not for example, energy companies have not, and lots of other groups that

should care about the economic future and transportation investment as a result are not engaged on this topic. Instead it's the existing stakeholders that tend to be engaged, the highway builders, the transit builders, the stone, sand, and gravel folks, those guys are going to be engaged because it's their bread and butter. It's the secondary folks who benefit from transportation investment that need to get engaged if we want to see real change. Number two, I don't think that people are ever going to march on Washington about transportation, but I think they do express pretty strong concerns about transportation in local polls and local elections. I mean for example we just saw Virginia pass a transportation measure that was pretty impressive—and considering the political times—and that was the number one priority of the governor, finding—in this legislative session—finding money for transportation because he knows if he doesn't do something to address it, Virginia's economy isn't going to be in good shape. It hasn't been addressed for 20 years, so he did that. It does galvanize people but we do have this major deficit in getting attention at the federal level.

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