

InfrastructureUSA

Guest on THE INFRA BLOG

Guest on The Infra Blog: Phineas Baxandall, Senior Policy Analyst, U.S. PIRG

Conversation with Steve Anderson, Managing Director, InfrastructureUSA

Who Really Pays for Roads?

We, like many other people, have been very frustrated about the funding debate for transportation, and one of the things which seems to get in the way is that people very often start with a presumption that our user fees should be covering everything. Then there becomes a whole debate about whether that user fee would need to be increased or not. But one of the disconnects we found was that that very beginning premise is just wrong, that we've never had a completely user-fee paid transportation system and that it's less and less of a user-fee system. Maybe that's okay, maybe we can have a clearer, less encumbered debate if we can dispense with that premise, but we just wanted to put the facts on the table of how much user fees are fully covering our road system. What we found out was that the user fees, our gas taxes at various levels, were covering about 48% of total road fees. So that includes things like the property taxes that people pay at the local level for local roads. But this is something where your average person thinks, "Hey, my gas tax should be covering everything." They don't think about how, actually, much of the road mileage that they're driving on is on roads which aren't supported by that gas tax.

We Need Smarter Investments

Certainly infrastructure is critical to our country being able to operate at even a very basic level, and we have been insufficient at maintaining our existing infrastructure, much less building the types of infrastructure we need for the 21st century. But in terms of how to get people to focus on these things, I really do think that getting past some of the myths on this is important. We have all of these kinds of constraints about how we spend our infrastructure money: in thirty-somewhat states, you cannot spend any gas tax money, for instance, on any transportation that isn't specifically state roads. And so that's the type of thing which just clogs things up. I think that, really, Americans can be most supportive of infrastructure when they feel like the very best projects, the ones which will give the best bang for the buck, are the ones that are getting built. Some of the funding limitations we have in place can be real obstacles to the money going to the best place. So we find it really outrageous that there can be so many thousands of structurally deficient bridges out there at the same time that there can be also some really debatable highway expansion projects going on. The fact that that can be the situation is something which really undermines American confidence.

High-Speed Rail Should Replace Short-Distance Flights

High-speed rail makes sense for inter-city travel. The kind of very fast high-speed rail that is common in Europe and Japan really makes sense as a way to replace short-distance plane travel, which is the most inefficient plane travel because it's so costly to actually get the plane up in the air. If you spend most of your fuel to get the plane up in

the air and land on a 400-mile trip, it's the least efficient plane travel. If we can get more of that travel moving to high-speed rail then we're going to have much more efficient airports and much more efficient air travel with more of our air travel about getting from coast to coast, places that really are too far to use rail. But high-speed rail is something which there's no excuse that our country is so far behind on. It's something which will be a real boon to California when they do build it, and I think that once that happens the rest of the country will start to say "Hey, we want that too."

Citizens Can Engage on the Local Level

Unfortunately, right now Congress seems like it is in such an endless spin cycle of going nowhere on this issue. I honestly think that efforts are best spent at the local level where you can see some real movement in cities and some states in trying to really address transportation issues. Congress just really seems stuck. I don't see any long-term solution to the funding crisis in Congress happening any time soon, but you do see lots of exciting things going on in cities. You see all kinds of new car-sharing, ride-sharing, and real action changing in how people get around at the municipal level. It's a level where people really feel connected to the projects. They know where their money's going. It's not this Byzantine list of acronyms about what the programs are. People can relate to where their money is going a lot easier.

Low Interest Rates Justify Infra Investments

There's some research which suggests that our investments in infrastructure have become less productive than they were in the '60s and '70s, and I would posit that some of that has been that we've continued to build a lot of highways that aren't necessarily as needed. But even if you were just going to be addressing the repair needs that we have, it should be one of our top investment priorities. Interest rates have been so low that, taking it from a business point of view, the rate of return that you would need on infrastructure investments is low enough that most of that investment is justified. There's a real business argument to say we can invest in this now at low cost, and so we should be. And that would certainly be helping the economy from a macro stimulus point of view as well.

Building for Millennials

We should not be just focused on trying to build out the transportation visions of our parents. The millennials are quickly going to be the chief users of America's transportation system. They're the largest generation and their preferences should be foremost in our minds. I'm 48, and the infrastructure that's built today is going to be used less on me than on somebody who might be 18 or 28 years now. They are the future users of what we decide to build today, so we should be looking to them for preferences, for deciding what kinds of things to build. I think it's going to be interesting in the next decade because on the one hand, millennials, like every generation before them, as they move into middle age, have children and move a little bit more to the suburbs, are going to look more like other generations. The question isn't "Will millennials stay as driving averse as they are now?" I don't think they will, but the question is "When the millennials get older, will they drive as much as their parents did at the same age?" The millennials are more averse to driving than their predecessors

were at the same age. When they're middle age, if they also are averse to driving for a middle-aged person, that's what will make the difference.

U.S.PIRG: Putting Transportation Money In the Right Places

We think that our transportation isn't nearly as good as it should be in terms of getting people where they want, that there can be some very unequal access to transportation, that the kind of transportation we do have is sometimes the wrong project. At the same time that there's a lot of need for more infrastructure money, there can also be expensive highway expansion boondoggles out there. We want to see transportation money being spent where it's going to be needed for the 21st century. Often that means more on public transportation, bikeways and walkways, as well as more on fixing the roads and bridges we already have. Those are the kinds of priorities that we'd like to see in infrastructure. We don't think that every infrastructure dollar is equally good, but we definitely think that there needs to be more of an emphasis on investment in infrastructure in the years ahead.

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