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Guest on THE INFRA BLOG

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Conversation with Steve Anderson, Managing Director, InfrastructureUSA

The FAST Act: Progress but Not Perfect

It's not everything we dreamed of, but it is most definitely progress. This is the first time in over a decade that we've had a 5-year—or multi-year— reauthorization, something that state DOTs and others who have the responsibility for planning transportation investments can now rely on. They will all know for the next 5 years how much funding is going to be available from the federal program, which is for many of the states the foundation, if not the vast majority, of the resources that they have available for capital investments. So definitely a major step forward, but it's also not the perfect bill; I'm not sure if there is such a thing as that, but there are some things that are lacking and one of them is the fact that it did not identify a sustainable, long-term source of revenue to support federal surface transportation investment—as has been the case over the past several enactments of legislation at the federal level. This bill relies on subsidies from the general fund in order to be able to support the program levels that it contains, so once we get out to the year 2020, the last year of this bill, we're going to again be faced with the challenge that we had with this legislation which is identifying that source of revenue that enables the program to continue to operate at the levels that we need.

States Still Rely on Federal Transportation Dollars

Every state has its own department of transportation, and also has its own resources from state sources. Many local governments also have tax bases that they use to support surface transportation investment. The federal program is an additional component to that. It, on average, amounts to about 50% of the capital investment in surface transportation that takes place in the country. But that varies pretty dramatically from state to state. In some states it's as high as 90% of their capital program. In some of the larger, growing states it is as little as 15 or 20%. So it's a very different portion of the program depending on the state, but in every case it's a part of the program that the states and local governments very much rely on. These dollars are largely apportioned under a limited number of formula-based programs. 93% of the highway funds that are made available under this law are distributed to the states by formula in broad categories. There are eligible purposes for which the funds can be spent, but it is state and local governments that determine which projects will be undertaken within the boundaries of those eligibilities that are spelled out in federal law. And they are very broad. In fact, one of the main programs that's included in this legislation is the Surface Transportation Program Block Grant, and that has eligibility for just about anything that you could imagine that would be considered a legitimate transportation investment.

The Job's Not Done for Transportation Advocates

I think that our elected officials have heard the message of the importance of transportation

investment to our economy, to the quality of life in this country. Obviously we would not have seen the kind of continuing support that there has been for the federal program—even during the period of short-term extensions—if that were not the case. And in fact the Congress did find a way to increase the available funding through the federal program in this legislation. So I think all of those who have been surface transportation advocates have in fact been heard by the Congress, because they are supportive of this program, but that said, many of those same groups who are advocating for transportation investment have also made the point that what we really need is that sustainable source of revenue for the longer term. And the Congress did not address that issue. They chose to use what revenues do flow into the Highway Trust Fund but are insufficient to support today's program levels and supplement those with general funds. So while I would say this is a tremendous success for transportation advocates, our work is definitely not done and certainly I think we need to get back to this discussion of how do we make sure that this program is not competing with other federal programs for resources, and the best way in which to do that is to identify that sustainable source of long-term revenue, and likely what that means is a user fee associated with those who benefit from transportation investments.

What Does Transportation Mean for *Me*?

I think people are starting to understand that everyone's life is affected, on a daily basis, by the quality of transportation around them. And I think many of the citizens of the country now are thinking past a particular mode of transportation and thinking about mobility more generally. As we see the advent of mobility services like Lyft and Uber and others, you don't necessarily think about car ownership or the use of infrastructure in the same way you once did. You think about, "I need to move from point A to point B and I have a variety of mobility choices in order to achieve that." I think the average American now understands that none of those choices exist without this investment occurring. And I think increasingly citizens are going to demand those kinds of choices in getting from place to place or in having products delivered to them in the fashion that we've now grown accustomed. I don't think any of that is going to evaporate. I think one of the keys to the success in convincing the Congress is that we really do have to drill transportation down to what does it mean for me as a citizen, as an individual. When we tend to talk about transportation needs in terms of billions or even trillions of dollars, I think that's hard for the average person to get their arms around. But when we talk about it in terms of here's a specific improvement that can and will result from your willingness to invest, then I think people say, "Okay that's something that I am willing to support." I think we've not done a good job also in selling to the American public the relative bargain that transportation investment entails. If you actually boil it down to the amount that the average driver or the average citizen pays per year, it's a really small price to pay for the benefits that we receive from our transportation system. So I think as we look forward those are going to be the kinds of things that those of us who advocate for transportation need to focus even more attention on. Making sure that the message is simple and understandable, and that it relates to the individual and not to some nebulous federal program that many people don't really identify with.

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