

InfrastructureUSA

Guest on THE INFRA BLOG

John Schroer, Commissioner, Tennessee Department of Transportation

Conversation with Steve Anderson, Managing Director, InfrastructureUSA

Keeping the Highway Trust Fund from Going Under

The issue that we're very concerned with nationally, whether as president of AASHTO or here as the Commissioner of Transportation for Tennessee, is making sure that our mainstay of funding transportation projects, the Trust Fund, is solvent, and it's just not right now. We're very concerned that that may possibly fall by the wayside with this new infrastructure plan, which would be more project based, and puts more emphasis on funding through other sources other than the federal government and will make it difficult for rural states like Tennessee in most states in this country to keep up with the current demand that we have on maintaining our infrastructure. It's already running right now about \$15 billion a year in the hole. That money has to come from somewhere. We've got two more years of the Fast Act, and the last year the Fast Act if they don't find additional dollars. There's going to be a \$7.8 billion rescission that the states are going to have to make up, and then we've got another reauthorization issue that will come up in 2020 as well. Where does that stand? Again, that's the foundation of our highway network is the federal trust fund and, unfortunately, we're spending more money than we're receiving and there's not any discussion that I'm aware of happening either in Congress or at the White House about addressing that issue.

The Necessity of Tax Increases

I think that the responsibility for infrastructure across this country is the states and the federal government. I think that's how it got started; that's how we've done it ever since we've been doing this. It's why we have state DOTs and why Federal Highways is there, and, to date, we've done a pretty good job. We now, however, are faced with a situation where the word "tax" is a horrible word. Our senator, Bob Corker, two years ago proposed a gas tax increase that would make the trust fund solvent. It was absolutely dead not on arrival, it was dead before arrival. That's been dropped and no one's talked about it since. Nothing has been done with the trust fund since 1993, other than they've taken money away from it. That's what we're faced with. And so no one wants to talk about a tax increase. 39 states across the country, in the last several years, have faced this same issue and have done something with it. Tennessee being one of them, where we've looked at our needs and our funding capabilities and said we're going to have to step up and raise additional dollars on the state side in order to keep up with our infrastructure and our transportation needs. States can only do so much of that, and then the federal government has to do their part. I say that, but somewhat hesitantly, because it's not federal dollars that are paying for infrastructure. They are citizens of the state of Tennessee and across this country that are paying gas taxes, and then that money is redistributed back to the states. It's our money up there. The question is, is

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Congress able to raise enough money to make sure that we can maintain the infrastructure that we have? We've been surpassed by other countries all over the world in investments in infrastructure, and we're going to soon face those consequences. Our core infrastructure is beginning to crumble and no one questions that. I don't believe that that can be fixed by private investments.

Millennials and Highways: a Generational Disconnect

The younger generations, Millennials, they grew up with a great infrastructure network. We started it in the '60s and by the time they were driving we had great interstates and good roads and most of them don't even probably know how that's paid for. They didn't grow up like I did, driving on a two-lane road through every little bitty town to get to Florida and it took two and a half days to drive. It almost seems to them like it's just there and how it gets paid for no one really knows. I do think there's been a lack of education, but that's pretty typical, I would think. We in government don't like to doubt that much, and so I do think there has to be a lot of education, and unfortunately, I think, where we are at this point in time in our country is that education is going to come through crumbling infrastructure and people are going to have to start up, find out: why are our bridges falling apart? Why are our roads in bad shape? We can't deal with congestion and the things that we really need to deal with, and they'll find out that there's just not enough money to pay for it.

Convincing Citizens, and Governments, to Be Proactive

We in Tennessee have really good roads. We're ranked in the top two or three in the nation in truckers and other independent researchers. We do it without any transportation debt. We have no debt at all. We're a pay-as-you-go state, and so our people, when we were talking about needing to raise dollars, look up, "So our roads are in pretty good shape, why do we need to raise any additional dollars?" It's hard to educate people and convince them that they need to pay more taxes on something that's not yet falling apart. I've been in government now, or in public service, for 24 years. I spent 13 years on a school board. I was four years as a mayor, and now I've been in this job for seven years. And, unfortunately, in all those cases you have to govern basically by crisis. The people of our country don't necessarily like us to be forward thinkers and fix things before they're broken. Congress is the same way. We're dealing with that right now, trying to fund the government. We fund it every three weeks now and we don't even talk about things until there's a crisis, and then that's how we try to fix something. Unfortunately, in infrastructure world, you can't do that because it takes too long to fix something, so we have to look at the foresight, we have to be visionaries and we have to fix things before they crumble and we're just not doing that.

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