

# InfrastructureUSA

## Guest on THE INFRA BLOG

**Frederick G. "Bud" Wright, Executive Director, AASHTO**

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

### **The National Divide Over Infrastructure Policy**

I think that there is a broad consensus that we're under-investing in infrastructure in this country. Certainly here in Washington, we see it play out on a big stage in the Congress with the administration. I would say in both of those places, both with the Trump administration and certainly with the Congress, there's an acknowledgment that we need to do more, that infrastructure is the backbone of a thriving economy, and that that investment is going to have to come from all sources, whether it be the federal government, state and local governments, or the private sector. Now, the differences begin pretty soon after you get past that statement, because I think there is great division in the country about whose responsibility it is. The Trump administration has sought to incentivize state and local governments in the private sector, with the federal government playing the role of providing seed money and being more of a junior partner in the enterprise of providing for infrastructure in this country. I think state and local governments, certainly the members of our association, AASHTO, the state Departments of Transportation, see the federal component of investment in transportation infrastructure as critically important because it really is the foundation upon which state DOTs build to provide for the transportation investment needs within their states or within their communities. It's got to be a shared responsibility. I'm optimistic because there does seem to be such a strong consensus, whether it be at the state level or at the national level, that it's time for us to do more, it's time for us to invest in infrastructure—but the question always comes back to, “Whose responsibility will it be, and how will the revenues be raised to provide for that additional investment?”

### **States Are Raising the Stakes**

I certainly would say that we have to acknowledge that we have fallen behind. There was a time when we could look at the United States and say, “No one matches us in terms of transportation investment in the state of our transportation infrastructure.” There's no question that we have fallen behind other countries. We've fallen behind what I think we would want our own standard to be, but I do think that there has been an acknowledgment of that fact and that we need to do more. One of the points of that fact being the case is that states are beginning to invest more. We've seen 31 states over the past five years who have upped the ante. They've found a way to increase the revenues that are flowing to transportation investment, even though we bemoan the fact that there's not enough investment occurring at the federal level. In fact, with regard to transportation investment, we are at a record high level right now. We just saw an additional \$10 billion of infrastructure investment provided last year by the Congress to supplement the underlying federal aid highway and transit programs and other federally administered programs. Is all of that answering the big picture problem? We haven't gotten there yet, but I would say that there have been earnest efforts made at the state level, in particular, to acknowledge that we need to do more to find a way, to find the political will to increase revenues and to increase investment. It's still an uphill climb, but I do think that at least it's one area where we can point to there being a relative consensus among federal decision-makers that this is important and we need to do more.

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## **The Federal Government Needs to Be a Reliable Partner**

One of the things that we have stated very loudly to this administration and to others is that while they're talking about ratcheting back the federal role in providing for transportation investment, the reality today is that the federal government is only providing about 20% of the resources that flow into highway transportation investment in this country, and a slightly larger percentage in transit investment. I guess the question would be, "How much farther back should the federal government dial?" Because from our perspective, while the parts of the system that the federal government invests in are very important ones—a lot of those dollars flow to the National Highway System or the Interstate System—the fact is the federal government is contributing only about one-fifth of the total investment. The rest of it is coming almost exclusively from state and local governments and small but slightly increasing share from the private sector. Should the federal contribution be zero or should it be more than 20%? I don't know that anybody is advocating that it be 50% or 80% or more of the total. I think it's that the federal government be a reliable partner and continue to invest at a greater level but continue to invest their share relative to what state and local governments have historically been willing to do.

## **Engaging Citizens to Vote for Infrastructure**

Transportation infrastructure can easily be taken for granted. I get into my automobile in the morning to come to work. I don't think about what it requires to keep that system up and running. It's not just the initial investment but it's maintaining the asset and providing for maintenance and operation of the facility and it's an ongoing expense. It's not a one-time expenditure that you can just walk away from. I think all of us as citizens tend to take it for granted. I think one of the things that we have not done as good a job of as we could in the public sector is reminding citizens of that continuing investment. Just as we invest in our homes, we must continue to invest in our infrastructure or else it's going to reach a state of disrepair of the sort that we've been dealing with in recent times. Having that citizen understand the significance of transportation infrastructure in their lives, and the importance of continuing to invest, I think is absolutely critical. That said, asking a citizen to pay a higher tax in order to achieve a stronger infrastructure is a different question. Honestly, I would say that the results in recent times have been mixed on that question. We just saw in California in this most recent election an attempt to repeal state gasoline tax that was just recently enacted. Fortunately, that did not go forward and so that tax remains in place. But in Missouri, all of the elected leaders, all of industry and many others had come together in support of additional infrastructure investment and that was sent to the voters by ballot this November as well, and it went down fairly resoundingly. There's not a magic formula that says if it's a local government or if it's the state government asking their citizens to increase taxes, that that's an automatic. I think there's a lot more to it. There has been relative success in many places around the country but, unfortunately, it's not universal. We have had instances, as recently as just a few weeks ago, where the citizens of a couple of states said, "We're not interested in being taxed at a higher rate in order to support transportation investment."

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