The Federal Role in Transportation

By Travis Rawlings [1]
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With the federal Highway Trust Fund set to run low on money this year and the country’s transportation infrastructure in a constant state of deterioration, some transportation observers are again debating the future of the federal role in transportation.

Speakers at a recent CSG Policy eCademy had differing views on the direction the federal government should take going forward.

“The states that raise significant amounts of their own money for use locally tend, overall, to have greener policies than the ones that rely more heavily on federal funding,” said Rohit Aggarwala, a Columbia University professor who also leads the sustainability practice at Bloomberg Associates, a consulting firm serving city governments. He believes Congress should kill the gas tax.

“The path through Washington that the federal gas tax takes doesn’t create any value,” Aggarwala said, because the amount of federal transportation funding a state receives is more or less the same amount that it contributes. “It is now an allocation mechanism, and I would argue the states can do that better. … You should get much more effective transportation policies, much healthier funding mechanisms and, frankly, you would force a number of states that have been ignoring this topic—like New Jersey, for example—to confront the fact that they’ve got to make an active decision about how to fund transportation.”

Emily Goff, an infrastructure and transportation policy analyst at the Heritage Foundation, said issues such as traffic congestion and mobility often are ignored in a “Washington-centric approach” that she believes has a focus, “more on spending money than addressing local problems faced by taxpaying motorists.”

Goff researches ways to reduce and reorient the federal role in transportation in favor of more flexibility for states in their spending decisions.

Spending diversions, Goff said, are at the heart of the highway fund’s solvency concerns. Those diversions, she contends, include urban mass transit, bike lanes, sidewalks and roadside landscaping. While those activities aren’t bad, she said, they are not “federal priorities, particularly given the budget constraints that the highway trust fund faces. … Their inclusion in the program distorts the decision making that would otherwise happen at the state and local level.”

Goff contends efforts to push mass transit and other transportation alternatives don’t necessarily help reduce carbon emissions.
“The emissions reductions we’ve seen from automobile use have been attributed to higher fuel economy standards,” she said.

David Levinson, a faculty member in the Department of Civil Engineering at the University of Minnesota and the co-author of a 2011 paper for Brookings, “Fix It First, Expand It Second, Reward It Third: A New Strategy for America’s Highways,” believes Congress and the states should be looking at preserving the existing system.

“The transportation system that we have is better than anything else that we might consider building,” he said. “That is, we have adapted ourselves to a world around our existing transportation system.”

He said building new transportation links cannot be legitimized by cost/benefit analyses because maintenance of the nation’s current highways, which are nearing the end of their design life, is more important. But he was hesitant to encourage massive changes to the federal gas tax because, “there is no point in losing the revenue system that people have already agreed upon.”

James Corless, director of the Washington, D.C.-based Transportation for America, wants to see a strengthened, standalone transportation trust fund, a dedicated revenue for all modes of surface transportation, a multi-year commitment of funds, reinvestment in system preservation and additional revenue for locally driven projects that support economic growth.

Transportation for America recently released its policy platform for the next federal surface transportation authorization bill in a publication entitled “Building on MAP-21: Renewing a Federal Commitment to Transportation.”

As Corless noted, the gas tax has not been raised since 1993. Higher fuel standards and fewer people driving compound that fixed gas tax rate problem. His fix?

“We are calling for a 17 cents-a-gallon gasoline tax increase federally,” he said.

Corless acknowledged the need to employ innovative financing, public-private partnerships and state infrastructure banks to leverage available funding for transportation projects.

Corless also said the federal government has an essential interest in ensuring the continuing viability of public transit.

“We’re certainly big believers in public transit,” he said. “If anybody is under the impression that transit doesn’t really make much of a dent on traffic, I invite you to come to the next transit strike in the U.S. and see what havoc it wreaks. It’s not pretty.”

CSG Resources


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The Hamilton Project: “Fix It First, Expand It Second, Reward It Third: A New Strategy for America’s Highways” by Matthew
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