President Obama stepped up the urgency in his call for increased infrastructure spending during remarks Monday in the White House Rose Garden. Although the President primarily echoed the plan he originally outlined on Labor Day calling for the rebuilding of 150,000 miles of roads, 4,000 miles of rail lines, and 150 miles of airport runways, he came armed with plenty of new evidence that infrastructure improvements would be an effective tool in aiding the nation’s economic recovery and ensuring a brighter future.

In his remarks, the President said we are paying for our failure to act to improve inefficient and outdated infrastructure not only in lost productivity and wasted fuel caused by congestion and delays, but also in our competitive edge with other countries and even in America lives.

“It should not take another collapsing bridge or falling levee to shock us into action,” he said.

Then, the President outlined what he believes is needed to improve the system.

“What we need is a smart system of infrastructure equal to the needs of the 21st century,” the President said. “A system that encourages sustainable communities with easier access to our jobs, to our schools, to our homes. A system that decreases travel time and increases mobility. A system that cuts congestion and ups productivity. A system that reduces harmful emissions over time and creates jobs right now.”

The President is aided in his case by a new report from the Treasury Department and the Council of Economic Advisers. The report found that now is an optimal time to increase infrastructure investment for a number of reasons:

- Well-designed investments have long-term economic benefits.
- The middle class will benefit disproportionately from this investment. The average American family spends more than $8,600 a year on transportation, one-third more than they spend on food. Lack of transportation alternatives and congestion are two of the factors that add to that cost.
- There is currently a high level of underutilized resources that can be used to improve and expand our infrastructure. Construction costs are especially low right now. Low bids and under budget completion of projects allowed states to tackle much more than originally anticipated with funds from the American Recovery and Reinvestment Act.
- There is strong demand by the public and businesses for additional transportation infrastructure investments. One study found that 84 percent support greater investment.

A second report touted by the President Monday that bolsters his case is one that I’ve mentioned before on this blog. It’s a report put together by a panel of transportation experts co-chaired by former U.S. transportation secretaries Samuel Skinner and Norman Mineta. Skinner and Mineta were among those who met with the President prior to his Rose Garden speech. That bipartisan meeting also included Cabinet members, governors, mayors, economists and engineers.
Among other things, the Skinner-Mineta report, as numerous other reports before it have done, calls for thinking beyond the gas tax for a transportation funding mechanism. Charging motorists by the mile instead of by the gallon is the approach often mentioned.

After the President’s remarks, state transportation advocates expressed support for the President’s plan to seek a front-end loaded $50 billion infrastructure investment from Congress in a lame duck session following the election and highlighted other reasons for the urgency.

“The analysis we’ve done shows the stimulus spending made possible through the [Recovery Act] will be wrapping up next year,” said John Horsley, Executive Director of the American Association of State Highway and Transportation Officials (AASHTO), in a statement [7]. “Unless there is an initiative like the president’s to continue investment in transportation, you will see 300,000 construction related jobs lost by the end of next year.” AASHTO also has a new report released last month [8] looking at how states are delivering Recovery Act projects.

“This is the single best job creation we can do for this country,” Pennsylvania Gov. Ed Rendell said after attending The White House meeting. “It puts people back to work.”

Still, despite a sluggish economy and all the evidence that now is the time to act on infrastructure, the President and his supporters likely have their work cut out for them. The President’s remarks come just weeks before a midterm election that will likely see Republicans gain seats. Some Republicans have suggested that the Recovery Act’s infrastructure spending didn’t do enough to create jobs and impact the economy and there will likely be some reluctance to double down on infrastructure. The President’s plan would off-set the $50 billion in up front spending by closing an array of tax breaks for the oil and gas industry (which are supported by Republicans from energy-producing states). Many Republicans and probably a lot of Democrats would also likely oppose a higher gas tax that could be needed to finance the rest of a multi-year highway and transit program authorization bill. So the prospects for increased infrastructure investment anytime soon don’t exactly look promising.

But as the President said Monday: “This is a season for choices, and this is the choice: between decline and prosperity, and between the past and the future.”

By: Tuesday, October 12, 2010 at 04:51 PM
Tags: Capitol Comments [9]
Source URL: http://knowledgecenter.csg.org/kc/content/obama-renews-call-infrastructure-spending

Links