

BUILDING AMERICA'S FUTURE

Guiding Principles for Federal Transportation Legislation

Imagine a 21st Century transportation system that could move people and goods to their destinations in an efficient and reliable way. Envision the day when planning trips no longer means building in “buffer time” because of unpredictable traffic delays. Picture a modern high speed rail system which would eliminate the need for short haul flights of less than 500 miles. This is not a vision of the far off future. These are goals that can be achieved in the near term and would improve the quality of life for all Americans, create jobs, reduce our dependence on fossil fuels and strengthen our global economic position in the world. To get there, our nation must get serious about investing in our infrastructure. In September 2009, the current federal transportation program, SAFETEA-LU, will expire, offering Congress and the Administration a critical opportunity to make transformative changes to current transportation policy and chart a new vision for the 21st Century.

For too long, Congress has kicked the proverbial can down the road, making only incremental changes to a policy that demands whole-scale reform. While Building America's Future (BAF) and its bipartisan membership call for increased investment in our transportation infrastructure, reforms must be made to the current program before the American people will support increased funding. BAF has outlined the following principles for Congress and the Administration to use in shaping this new transportation vision. BAF stands ready to help build the political consensus needed to make this vision a reality.

1. Renew Leadership at the National Level

State and local officials have long recognized and tackled infrastructure challenges. In fact, today three out of every four public infrastructure dollars are spent at the state and local level. Meanwhile, over the last fifteen years, federal transportation policy has devolved into a cash transfer program driven more by politics than outcomes.

Of course, federal involvement in transportation did not start out this way. From the 1950s to the 1990s, Washington led the way by outlining clear national transportation objectives. In the 1950s, that objective was the creation of a national network of highways and roads – a network that by no coincidence is now known as the Eisenhower Interstate System after its prime federal champion. Without federal leadership, it is doubtful we would have had the economic prosperity and boom in quality of life that Americans enjoyed in the post-war era.

Similarly, in the 1960s President Kennedy spoke about expanding the federal role in mass transit and sent legislation to Congress to establish a clear and comprehensive vision for public transportation. Cities throughout the country, from Washington to Los Angeles, have grown their transportation systems and prospered as a result of this federal leadership.

Federal transportation policy has lost its focus. Our current national policy is nothing more than a fragmented set of objectives, often leading to an inefficient and unreliable transportation system. As state and local leaders, we will no longer accept a continuation of the status quo. To ensure that America has a 21st Century transportation system that meets our 21st Century needs, the federal government must once again lead by outlining key national goals to guide transportation investments in the coming years. These goals must include:

- Maintaining and repairing existing assets – “fix it first”;
- Reducing traffic congestion;
- Expanding public transit alternatives including intercity passenger rail;
- Alleviating freight bottlenecks and constraints;
- Addressing the threat of climate change by encouraging more livable and sustainable communities;
- Improving access to transportation choices for all citizens.

2. Increase Accountability at the Federal, State, and Local Levels

Federal transportation funding is no longer guided by clear objectives. Rather, funding decisions today are based more on politics than merit. For example, the number of earmarks in surface transportation bills has ballooned from 10 in 1981 to more than 6,000 in 2005. While not all of these earmarks funded “bridges to nowhere,” a politicized method of distribution increases the risk of funding inefficient and wasteful projects.

In laying out a vision for a new national transportation policy, we challenge Congress to significantly reduce earmarking and offer alternate routes – with greater transparency and accountability – to achieve national goals. One critical step that must be taken is to begin allocating funding based on clear performance standards. Thus, a state or city department of transportation would receive increased federal funding if targets are met. Performance standards must include:

- Reducing carbon emissions;
- Improving travel times for people and goods movement;
- Increasing the market share of public transit alternatives;
- Leveraging additional money (state, local, private);
- Completing projects on time and within budget.

Congress and the Administration must begin to hold states and localities – and themselves – accountable for ensuring that federally-funded projects meet national goals and that taxpayer dollars are being used efficiently. Otherwise, business as usual will impede our future economic growth and quality of life.

To be more accountable, the federal government will also need to enhance its efforts to track and measure data on transportation projects. We cannot fund projects if we have an incomplete picture of whether or not they are meeting measurable goals. A renewed commitment to data collection and analysis – at all levels of government – is a critical component to the accountability challenge outlined above.

3. Encourage Innovation and Flexibility at the State and Local Levels

In recent years, the federal government has begun to allow states and local governments greater flexibility in how they spend their resources, leading to increased innovation, less red tape and greater efficiency. The next transportation bill should significantly accelerate this development, through streamlined processes as well as expanded financial incentive programs, such as the Urban Partnership Program.

To help finance transportation investments, the federal government should:

- Remove federal impediments and allow states and localities to implement user fees (tolls, congestion pricing, variable pricing, etc.);
- Encourage public-private partnerships;
- Establish a National Infrastructure Bank;
- Create financial tools that would attract public and private capital such as Build America Bonds.

Congestion pricing and increased flexibility with respect to tolling on federal interstates are necessary since user charges are fair and may be needed to attract private capital to certain aspects of infrastructure financing. We also strongly believe that a National Infrastructure Bank can play a role as a financing vehicle for projects that have a major national impact or are multi-state. And, just as our nation rebuilt itself after World War II by issuing war bonds, Build America Bonds may offer a viable way for states and local governments to demonstrate public confidence and support for rebuilding our nation's assets.

4. Find New Ways to Fund National Goals

The American Recovery and Reinvestment Act (ARRA) is a critical down payment on our country's backlog of transportation capital needs. But much more needs to be done to address that backlog and ongoing and future operations and maintenance costs. If we are truly going to address our nation's transportation needs in the size and duration required, we need ongoing and stable streams of revenue that are dedicated to transportation. To that end, a wide variety of options exist including carbon auction revenues, user fees (e.g. charges for vehicle miles traveled, fuel taxes) and reserves built into capital budgets. These alternatives and many others should be evaluated and considered.