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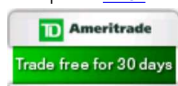


Can the U.S. Afford to Invest in Infrastructure?

By [JONATHAN BERR](#) Posted 6:00 AM 10/09/10

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New Jersey Governor Chris Christie does nothing quietly.

Earlier this week, the former U.S. attorney [stunned the political establishment](#) by canceling the largest public works project in the U.S., a commuter train tunnel between northern New Jersey and New York City. Christie's rationale was simple: The cash-strapped state, which has the fourth highest debt per capita, cannot afford it.

Condemnation was swift from Democrats and backers of public transportation, who accused the first-term governor of being short-sighted, since New Jersey may have to repay the \$300 million in federal money on the project that's already been spent. On Friday afternoon, Christie met with U.S. Transportation Secretary Ray LaHood, who wants to change Christie's mind, according to the [Newark Star-Ledger](#). But given his fiscal conservatism and desire to shake up the political establishment, that seems unlikely. LaHood reportedly requested the meeting.

Following the meeting, LaHood's office issued a statement: "Governor Christie and I had a good discussion this afternoon, during which I presented a number of options for continuing the ARC tunnel project. We agreed to put together a small working group from the U.S. Department of Transportation and the office of NJ Transit Executive Director Jim Weinstein that will review these options and provide a report to Governor Christie within two weeks."

A Boost for Christie?

For all his public battles with the New Jersey Education Association and other interest groups, Christie enjoys approval ratings of 50% among New Jersey residents, who ousted his predecessor Jon Corzine because of concerns about the state's financial health. Many have grown weary of paying the highest property taxes in the country. Canceling the tunnel, which state transportation officials told Christie would cost at least \$2.5 billion more than its original price of \$8.7 billion, is not going to change that perception, at least for now. Christie, though, has to convince the federal government to allow him to spend the money already allocated for the tunnel on other projects, something the [state's two Democratic senators say is not possible](#).

"This certainly helps Christie if he is correct," says Ben Dworkin, director of The Rebovich Institute for New Jersey Politics at Rider University in Lawrenceville, New Jersey, in an interview. Dworkin says there is a need for the tunnel. "The Northern part of New Jersey is getting more congested. This isn't a 'Tunnel to Nowhere' (as some critics have suggested). . . . Long-term, this is an issue that has to be resolved."

Robert Puentes, senior fellow at the Brookings Institution's Metropolitan Studies Program, agrees that the tunnel is needed. The state has a policy of fixing existing infrastructure before building new projects, which he says is a good idea. "There is no shortage of worthy projects," he says. "We have to figure out how we are going to pay for all of this stuff."

New Jersey is in a bind since the gas tax, which is used to fund transportation, has not been raised in 25 years. Christie has repeatedly vowed not to raise

taxes.

Assemblyman John Wisniewski, the chairman of the New Jersey Democratic Party, was particularly scathing, [saying in a statement](#) that the decision "will go down as one of the worst a governor has ever made." The Transportation Committee, which he chairs, is planning to hold hearings.

Conservatives Applaud

Fiscal conservatives were just as effusive in their praise of the governor, a rumored Republican candidate for president who recently made campaign appearances in Iowa. They argue that Christie's concerns about the state being on the hooks for any cost overruns is a valid one. For instance, Boston's "Big Dig" project was originally supposed to cost \$3 billion and wound up with a \$15 billion price tag, according to Tad Dehaven, budget analyst with the libertarian Cato Institute. He added that other public officials should follow Christie's lead.

"For Chris Christie to do this is pretty darn bold," he says, adding that there are other alternatives to consider to mitigate the region's congestion such as better roads and buses. "Public transportation is a nice idea but it's not economically sustainable without government subsidies."

Christie's move comes as President Obama continues to advocate \$50 billion plan to stimulate the economy through upgrades to transportation infrastructure, which experts say is in dire need, in turn adding new jobs. The new tunnel was supposed to create 6,000 jobs. More than \$27 billion from the first stimulus went for transportation. These projects are regularly touted by politicians.

A Big, Expensive List

According to the American Association of State Highway and Transportation Officials (AASHTO), as of August 31, 2010 work was [underway on 4,200 mass transit projects totaling \\$5.4 billion](#) and 11,978 highway and bridge projects, totaling \$24.1 billion. Meanwhile, 13,000 highway projects worth \$26.4 billion have been approved for construction. There is no shortage of big ideas either, even if the money is not lined up.

Last week, Amtrak unveiled plans for [a \\$117 billion high-speed rail](#) network that would cut the time needed to travel between East Coast cities in half. In June, officials in Oregon approved a 25-year plan that calls for spending \$20 billion on 1,071 projects, including nearly \$3 billion for a new bridge over the Columbia River and \$1.1 billion to extend light rail from Portland to Milwaukee, [according to the Oregonian newspaper](#). Minnesota announced plans to spend \$1.3 billion. The Port Authority of New York and New Jersey is planning to spend [\\$1.5 billion replacing](#) the 72-foot Goethals Bridge, an 80-year-old span which connects Elizabeth, NJ and Staten Island, New York.

Christie, though, shows no signs of backing down.

"He has the personality of an aggressive prosecutor," Dworkin says. "He is always in attack mode."

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