



Senate Hearing: Four Surface Transportation Policies Worth Knowing About

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The latest bailout of the Highway Trust Fund (HTF) expires at the end of May, so the Senate Environment and Public Works Committee called a hearing to discuss the reauthorization of the federal highway and transit programs funded through the trust fund. Conspicuously absent from the discussion were calls to eliminate wasteful spending in *reliable* ways and to rededicate driver user fees (federal gas and diesel taxes) to road and bridge programs that benefit drivers. Nothing was said about refocusing the federal role in surface transportation policy in favor of increased state, local, and private-sector control.

Instead there were countless calls for more “critical” federal investment (read: spending) in “vital” infrastructure projects, such as transit systems. How fascinating. As the Cato Institute’s Chris Edwards notes, private-sector, not government, spending overwhelmingly dominates when it comes to factories, cell towers, freight rail, and refineries and pipelines. With that model, users pay for what they get.

Yet vocal special interest groups for transit, bicycles, trolley cars, and rail—users who do not pay into the system—have needled their way into the Highway Trust Fund, which provides most federal funding for highway and transit programs. This dangerous policy of transit-oriented development and three others discussed in the hearing are laid out below with the conservative solution to each:

- **Do we need more transit-oriented development?** Secretary of Transportation Anthony Foxx says transit stations “capture the imagination of real estate developers.” Since when is generating business for private companies a government responsibility? In fact, transit systems are monopolistic and expensive to build and operate. They have not delivered on their promises to reduce traffic congestion. It’s time to end the massive federal subsidies to local transit authorities.
- **Should Congress fund “Complete Streets”?** Outfitting community roads with sidewalks, roundabouts, crosswalks, and transit stops is purely a local priority, not a federal one. Congress is distracted by such local activities, and the depleted HTF shows it. Federal gas taxes should go to fund the interstate highway system, which was the whole point of the federal-aid highway program and the gas tax.
- **How can states get more “bang for their [transportation] buck”?** Secretary Foxx forgot to mention reforms to or repeal of the Davis–Bacon Act, which unnecessarily increases

transportation project costs because of its union wage requirements. Bureaucratic changes to accelerate project timelines can only go so far and will take years to implement.

- **Is repatriation, a gas tax increase, or an infrastructure bank the funding solution?** Congress has a spending problem in the HTF, not a revenue problem. Billions of gas tax dollars (between 25 percent and 30 percent) are diverted annually from general-purpose roads to low-priority, local activities. Congress has no business asking drivers to pay higher taxes when it has shown such abysmal stewardship of the money entrusted to it. Repatriation of corporate revenue would mean a departure from the user pays, user benefits system that holds lawmakers accountable. An infrastructure bank would duplicate existing federal financing tools, let Washington bureaucrats make people's transportation decisions, and require higher taxes or borrowing for funding. Republican lawmakers said they want to get something done on transportation this year. They owe it to the American people, who expect to have a safe, reliable transportation network, to get that "something" right.