



Why Trump's plan won't fix crumbling infrastructure

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(CNN) For the past decade or so, Americans have been inundated with propaganda about our crumbling infrastructure. According to this narrative, our roads and bridges are falling apart and the only solution is more federal spending.

Earlier this month, the White House released President Donald Trump's long-awaited infrastructure program, which promises to spend \$1.5 trillion -- \$200 billion from the federal government -- on several new infrastructure programs on top of what governments already spend.

So how much of this money is dedicated to maintaining and restoring crumbling infrastructure? Zero; nada; not one red, white, and blue cent.

The White House says that, unlike some federal programs that are solely dedicated to new construction, the Trump plan allows state and local politicians to decide to spend their share of the funds on either new projects or maintenance. But the plan doesn't guarantee that any of the money will be spent on maintenance.

Where infrastructure is in bad shape, it is because politicians are allowed to decide how to spend infrastructure funds. And, as I have argued elsewhere, some decide to build highly visible new projects rather than maintain existing ones.

That is why Virginia is funding construction of the Silver Line and Maryland the Purple Line rather than rehabilitating the Washington Metro system. That is why New York City is building what the New York Times calls the "most expensive subway in the world" -- a 3.5-mile line between Penn Station and Grand Central Terminal -- rather than rehabilitate its declining subway system. That is why Boston is building a \$2.3 billion, 4.3 mile light rail extension to Medford rather than spend the money rehabilitating its creaky rail system.

Although the Trump plan would allow states to spend their share of new infrastructure funds on maintenance, it leaves the decision in the hands of local politicians. They will almost always go for the glitz rather than the routine.

To be fair, the nation's infrastructure isn't in as bad shape as often claimed. We haven't seen a bridge fail due to poor maintenance since 1989, and since then the states have reduced the number of structurally deficient bridges by 60%. The Minneapolis bridge that collapsed in 2007, for example, was found to have failed due to a design flaw that no amount of maintenance could have prevented. Most states and cities are also filling potholes, and the average roughness of most roads has steadily declined for the last two decades.

In general, our state highways, which are funded mainly out of gas taxes, tolls, and other user fees, are in good shape, while local roads, which are funded mainly out of property taxes and sales taxes, are not. Our freight railroads, which are funded mainly through user fees, are in good shape, while Amtrak and urban transit infrastructure that are funded exclusively by tax dollars are not.

Notice a pattern here? Infrastructure that is funded by user fees tends to be in good shape because managers know people will pay less if the infrastructure declines. Infrastructure that is funded by tax dollars is in poor shape because politicians would rather spend money on the next shiny new project than take care of the old ones.

The other advantage of user fees is that they tell us whether new infrastructure is needed. If users are willing to pay for more infrastructure, then it is something we really need that will produce secondary economic benefits. If they aren't willing to pay for it, we probably don't need it and maintaining it will merely be a drag on the economy.

To its credit, the Trump infrastructure plan does allow for some additional user fees. For example, it would allow the states to charge tolls for more interstate highways. This would not only help pay for maintenance and improvements of those highways but relieve congestion, saving Americans billions of dollars a year. But the plan leaves the decision to state politicians, who are unlikely to ask voters to pay tolls when they can pretend to give them something for nothing.

In general, however, not one of the new programs proposed by the Trump infrastructure plan is dedicated solely to maintenance and rehabilitation of crumbling infrastructure. As a result, it is likely that the bulk of this proposed new federal spending will go toward new infrastructure that we may not really need and can't afford to maintain.

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