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No Tax Increase for Federal Transportation Programs?

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Advocates of more federal spending for highways and transit note that the federal fuel tax (currently 18.3 cents per gallon of gasoline) has not been raised since 1993 and that the 17-year freeze has limited the financial resources of the highway trust fund and its ability to fund transportation investments. Combined with sluggish growth in fuel usage and cost increases for the labor and materials used in transportation infrastructure projects, this leads spending advocates to contend that available federal resources fall well short of what is needed to maintain and expand the current surface transportation system.

Similar complaints occur in states where state fuel taxes (ranging from 8 cents per gallon in Alaska to 37.5 cents in Washington State) have been similarly frozen for many years. Efforts to increase them have been met by the same motorist resistance that has prevented the federal fuel tax from being raised.

Motorists Resist. Although several reasons explain motorists' reluctance to spend more on a dysfunctional system, a major reason is a lack of confidence in the ability of those who run federal and state transportation programs to use the money wisely.

A case in point is what happened in 2004 when Representative Don Young (R-AK), then chairman of the House Transportation and Infrastructure Committee (T&I), wanted to increase the gas tax to increase spending. President Bush opposed him, as did most motorists and their elected representatives, in large part because Young became nation-

ally notorious for his intention to spend more than \$1 billion of these new taxes for two Bridges to Nowhere in his home state.

Back to the Future. One would have thought that there was a lesson to be learned in this epic fiasco, but if so, it has escaped the current crop of transportation officials in Congress and the Administration who have since embraced a policy that one journalist labeled "A Bridge to the 19th Century."¹ Current T&I Committee chairman James Oberstar (D-MN) introduced legislation to spend \$500 billion on transportation, a substantial portion of which would fund trains, trolleys, and bicycles and discourage automobile use.²

Secretary of Transportation Ray LaHood has also made it clear on several occasions that he intends to "coerce" people out of their cars and onto sidewalks, bicycles, and streetcars. He also wants a housing policy that encourages people to live in crowded, high-density communities where everything is close by and automobiles are unneeded, much as Americans lived in, say, 1895.

Since taking office, LaHood has advocated or implemented a series of policies to achieve these goals by favoring transit and "non-motorized" trans-

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portation instead of cars.³ In doing so, LaHood fulfills what one author of a recent study of such behavior describes as “the authenticity hoax in full throat: a dopey nostalgia for a non-existent past, a one-sided suspicion of the modern world, and stagnant and reactionary politics masquerading as something personally meaningful and socially progressive.”⁴ The following have been among LaHood’s initiatives since his Senate confirmation in 2009:

- Responding to complaints raised at a May 2009 National Press Club speech that his proposed shift of money from cars to transit involved meddling in individual decisions, LaHood said, “About everything we do around here is government intrusion in peoples lives.... It is a way to coerce people out of their cars. Yeah.”⁵
- In response to press requests to define his livability goal, LaHood stated in September 2009 that “livability means being able to take your kids to school, go to work, see a doctor, drop by the grocery or post office, go out to dinner and a movie, and play with your kids in a park, all without having to get in your car.”⁶
- Also in September 2009, the Obama Administration created a task force comprised of the Department of Housing and Urban Development (HUD), the Department of Transportation (DOT), and the Environmental Protection Agency to develop a livability agenda that includes more transportation choices (i.e., more trolleys and busses). Task force sub-goals include encouraging transit-oriented development, safeguarding rural landscapes, and promoting walkable neighborhoods.
- In November 2009, FTA announced that it is expanding the radius from one-half mile to three miles of a public transportation facility within which bicycle and pedestrian projects would be eligible for FTA funding, thereby making more such projects eligible for federal funding.
- In December 2009, LaHood announced that all applications for Transportation Infrastructure Finance and Innovation Act loans would have to be redone and resubmitted to reflect the Administration’s interest in “livability.” Approved projects should link transportation with housing and quality-of-life issues. (See second item above for LaHood’s definition of livability.)
- In January 2010, LaHood rescinded existing Federal Transit Administration (FTA) guidelines that required rigorous cost–benefit analysis relying on measurable mobility benefits to justify federal investment in transit projects. These standards were replaced by more subjective benefits that considered non-transportation goals such as economic development and the environment, thereby making more transit projects eligible for federal funding.
- In March, LaHood proposed letting states and localities circumvent certain DOT regulations governing transportation projects if instead they

1. Editorial, “High-Speed Wail: A Bridge to the 19th Century,” *STLtoday.com*, January 29, 2010, at <http://www.stltoday.com/blogzone/the-platform/uncategorized/2010/01/high-speed-wail-a-bridge-to-the-19th-century> (April 19, 2010).
2. Ronald D. Utt, “Chairman Oberstar’s Transportation Plan: A Costly Exercise in Social Engineering,” *Heritage Foundation Backgrounder* No. 2348, December 10, 2009, at <http://www.heritage.org/Research/Reports/2009/12/Chairman-Oberstars-Transportation-Plan-A-Costly-Exercise-in-Social-Engineering> (April 19, 2010).
3. See Ronald D. Utt, “Obama Administration’s Plans to Coerce People Out of Their Cars,” *Heritage Foundation WebMemo* No. 2536, July 10, 2009, at <http://www.heritage.org/Research/Reports/2009/07/Obama-Administrations-Plan-to-Coerce-People-out-of-Their-Cars> (April 19, 2010).
4. Paul Weston, “Why It’s So Hard To Get Real [Review of *The Authenticity Hoax*, by Andrew Potter],” *The Wall Street Journal*, April 13, 2010, at http://online.wsj.com/article/SB10001424052702304168004575178831348022238.html?mod=WSJ_Opinion_LEFTTopOpinion (April 19, 2010).
5. LaHood’s entire presentation and Q&A session at the National Press Club is available on video at <http://press.org/video/player.cfm?type=lunch&id=17766> (April 19, 2010).
6. Amy Phillips, “Transportation Officials Stress Importance of Administration’s Livability Initiatives,” *Daily Report for Executives*, Bureau of National Affairs, September 29, 2009.

obey HUD rules on high-poverty areas, including job training opportunities. In effect, transportation spending need not be about transportation.

- At a March “Bicycle Summit,” LaHood said: “Today, I want to announce a sea change. People across America who value bicycling should have a voice when it comes to transportation planning. This is the *end* of favoring motorized transportation at the expense of non-motorized.”⁷

Implications for America. It is apparent from a review of White House and congressional transportation policies that enhanced mobility and congestion mitigation is of little interest to current leadership. Instead, Americans can expect a future of greater congestion and time-consuming travel as

government prioritizes a lifestyle transformation over a level of economic vitality reliant upon timely and cost-effective mobility.

If there is a silver lining to this odd embrace of the past, it is that Congress and the President will be less likely to get the tax increase they need to pay for it: One can hardly expect motorists to willingly pay higher fuel taxes to fund a war against them. As this is the best outcome that can be expected, opponents of higher gas taxes should hope that President Obama continues to let Ray be Ray.

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7. Ray LaHood, “My View from atop the Table at the National Bike Summit,” Fast Lane, March 15, 2010, at <http://fastlane.dot.gov/2010/03/my-view-from-atop-the-table-at-the-national-bike-summit.html> (April 19, 2010).