Show me the money

In the movie “Jerry McGuire,” Cuba Gooding Jr. won an Oscar for his portrayal of football player Rod Tidwell, who famously demanded, “Show me the money!” Coincidentally, the 76th Annual Academy Awards were held on Feb. 29, the same day that the five-month extension to TEA-21 expired.

John Horsley, executive director of the American Association of State Highway and Transportation Officials, has pointed out that simply maintaining annually what already exists costs $92 billion for highway and bridge infrastructure, and $19 billion for transit. To accommodate economic growth and projected volume increases, today’s highways require at least $125 billion, and transit another $44 billion, in annual investment. These requirements exceed the Bush administration’s six-year $256 billion reauthorization proposal, unveiled last May as the Safe, Accountable, Flexible and Efficient Transportation Equity Act, or SAFETEA.

Congress, under the leadership of Rep. Don Young, R-Alaska, chairman of the House Transportation and Infrastructure Committee, has taken a more aggressive position. Last September, Young introduced legislation, in the form of the Transportation Equity Act: A Legacy for Users (TEA-LU), which set six-year funding at $375 billion — $128 billion more than the administration’s proposal. (The Senate recently approved funding of $318 billion over the same period.)

Young’s suggested method of financing the difference is to increase the fuel tax by retroactively indexing it to inflation. This would increase fuel by approximately 7 cents a gallon. But House Majority Leader Tom DeLay has flatly opposed any tax increases. Proponents of fuel-tax indexing say that not only has the tax lagged inflation, but increased fuel efficiency has also decreased the amount of fuel being taxed, despite dramatic traffic growth.

With traffic volume projected to double by 2020, Thomas J. Donohue, president and chief executive of the U.S. Chamber of Commerce, recognizes that the nation faces severe transportation infrastructure challenges. He has warned that the nation will pay a “horrible price” if the legislation remains stalled.

Other funding opportunities do not gather much greater support. Assessing tolls on the interstate highway system has been studied but failed to earn a consensus. Last fall, voters in Washington state and Virginia voted down initiatives that would have paid for transport improvements to ease the congestion that frequently brings their highways to a standstill.

The freight industry has steadfastly objected to user fees that increase carrier costs. This has been an issue with port security, the Harbor Maintenance Tax and certain intermodal infrastructure. Although the Alameda Corridor was financed with per-container user fees, this remains the exception, rather than the rule.

To further complicate matters, the reauthorization debate is taking place in the shadow of ballooning budget deficits. If President Bush is to adhere to his State of the Union promise to “limit the burden of government” on taxpayers, adequate transportation funding may be at risk.

Six years ago, Rep. Bud Schuster, R-Pa., then the House Transportation and Infrastructure Committee chairman, was prescient in recognizing the need to preserve the Highway Trust Fund’s integrity. TEA-21 ensured tax revenue deposited into the Highway Trust Fund were spent only on transportation and guaranteed minimum spending for highways and transit.

Ultimately, reauthorization success may lie elsewhere. Transportation is a critical component of the economy, which is still not generating the quantity (and quality) of jobs desired by most Americans. It is estimated that one in 11 Americans holds a transportation-related job. And highway construction has always been a favorite job-creation strategy. However, beyond the traditional pork-barrel politics, there needs to be a recognition that infrastructure cannot sprout overnight. If we are to handle projected economic growth in 2020, we need to start taking steps now — or risk serious problems later.

There might also be recognition that our transportation system is a critical component of national defense and homeland security, which have no apparent limits on spending. The Federal-Aid Highway Act of 1956, which established the interstate system, was more popularly known as the National Interstate and Defense Highways Act of 1956.

Unlike many issues of importance to the freight industry, this one affects all Americans. We can only hope that the gridlock in Washington does not extend to our transportation system.

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