TAKING THE HIGH ROAD IN DC?

UPON HEARING THAT Sen. Marco Rubio, R-Fla., was raising money on Wall Street after just voting “no” on Superstorm Sandy relief, Rep. Peter King, R-N.Y., stated, “It’s absolutely disgraceful that any senator or congressman who’s running for president and voted to deny funds for New York and Long Island and New Jersey after Sandy should have the nerve to come into New York to try to raise money.”

Since then, Texas Republicans Sen. Ted Cruz and Rep. Bill Flores, who also voted against Sandy aid, have been pilloried as hypocrites for seeking federal assistance after last month’s Texas fertilizer plant explosion.

That disaster relief legislation, which passed historically quickly and without partisan rancor, could become so contentious may be symptomatic of our increasingly zero-sum political funding environment. For much of the transportation industry, which is traditionally dependent on public sector funding, we ignore these changes at our peril.

The two political parties, with all their arguing about taxes and budgets, are consuming Washington. The Democrats advocate investing in our future, while Republicans want to avoid a future that looks like Greece.

Meanwhile, we’re missing a larger irony. In the 2008 presidential election, 21 states voted for John McCain, who articulated policies of lower taxes and smaller government; 20 of those states, however, received more from the federal government than they paid. Conversely, 16 of 17 states that paid more than they received voted for President Obama. Perhaps Rep. King needs to remind his Republican brethren about the need for their states to live within their means.

Such a strict state balancing act flies in the face of what a national government is supposed to do. Transportation funding has no such problem. According to the Government Accountability Office, every state received more federal highway funding than they contributed in the 2005-09 period. This was possible because the funding mechanism is broken. Congress authorized more funding than was collected, and the Highway Trust Fund received $30 billion in general revenue since fiscal 2008 to fill the shortfall.

Despite near-universal acclaim for passing MAP-21, neither Congress nor the administration has addressed the reality that highway funding is insufficient to meet our nation’s long-term needs. Nor is there much optimism that President Obama’s call for $50 billion for immediate transportation investment to spur job growth and improve transportation infrastructure that was in his recently proposed budget will get very far.

How, then, will our transportation infrastructure be funded? In his State of the Union address, President Obama called for funding a transportation infrastructure bank that would leverage public funds 4-to-1. This sounds appealing, but it would change the federal government’s role from funding transportation infrastructure to merely financing it.

This puts the burden squarely on the states, where the “no new taxes” mantra rules out increasing the fuel tax. (Attempts to consider it a “user fee” seem to have been discarded as an unsuccessful canard.)

Earlier this year, Virginia Gov. Bob McDonnell pursued a rather radical policy by replacing the state fuel tax with a sales tax. This is estimated to increase the funding available, but its arithmetic is based on citizens of neighboring states buying gas in Virginia, rather than in their own state. It also assumes oil companies won’t seek to capture some of the lowered tax by raising the wholesale price of fuel. (Gov. McDonnell’s plan addresses one of the challenges of traditional highway funding — higher mileage cars paying less fuel tax per-mile driven — by imposing a $100 surtax on hybrid cars.) Only time will tell if the politicians or the economists are correct.

For some, the solution of reinstating earmarks, traditional pork barrel politics, could solve myriad problems. Once a routine part of congressional funding — especially for surface transportation — earmarks have been effectively discarded since 2006.

Sean Kelly, a political science professor at California State University, says the appropriations process has “melted down” since then. Congressional appropriation committees now attract partisans seeking to enforce doctrine, rather than pragmatists looking to accomplish tasks, he maintains. The latter no longer wish to serve there because there are no “goodies” to bring back to their constituents.

Matthew Yglesias of Slate magazine went further, saying the current Congress is “one in which leaders can neither discipline their rowdy base nor court vulnerable members with blandishments.”

Neither political party is covered with glory — neither seems willing to take the high road. Moreover, if funding mechanisms aren’t fixed, there might be no road at all.