

BIPARTISAN CENTER'S RESPONSE TO "A 'PLAN B' FOR REAUTHORIZATION"

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Bob Poole's June column "A 'Plan B' for Reauthorization" effectively captured the mood of the moment in Washington, DC: the chances of a large, multi-year authorization bill on par with the most recent "TEA" bills seem increasingly unlikely, and the need to prioritize national investments is long overdue. But, while the Bipartisan Policy Center's National Transportation Policy Project (NTPP) agrees with Mr. Poole that the restoration and modernization of existing facilities like the Interstate Highway System should receive the highest priority in the use of federal funds, devoting federal funds solely to this purpose would be problematic.

Given the nation's fiscal constraints and Congress' unwillingness to raise revenues for transportation investment, we should focus scarce federal funds on national goals. The NTPP recommended prioritizing investments based on how well they promote economic growth, reduce climate impacts and energy consumption, and improve safety. There are certainly many cases where appropriate investments in the Interstate System could provide substantial national benefits, such as those that improve operational efficiency, provide electric vehicle recharging stations, and make safety improvements. But there are also many such places beyond the Interstate and beyond highway investment. The key question is how to focus our limited resources on such investments across all surface transportation modes.

Although the role of the federal government in promoting inter-

state commerce is clear and cannot be overlooked, it may be surprising to know that some of the greatest national economic returns in transportation investment actually result from investments in metropolitan regions. Access to labor markets turns out to be an essential driving force in the national economy because labor drives metropolitan regions, these regions spur innovation, and innovation fuels economic growth.

Although there are certainly upgrades to the Interstate System that can be made within metropolitan regions, there are also many regions where the best way to improve access to labor is through greater investment in public transit. There are others where the best economic investment would, for example, be in a regional ITS network across multiple road types. The form of investment that would generate the greatest national economic benefits would vary greatly across the country, and should not be limited to the Interstate System. In most cases, a full program of transportation capital and operations investments and innovations across a range of modes will provide the greatest benefits for the cost.

In that spirit, Mr. Poole is absolutely correct that the federal government must reduce existing restrictions on tolling and pricing. For one, such restrictions prohibit the kind of innovative investments that generate large national benefits. But also, as Mr. Poole mentions, given the limited federal resources likely to be available it will be essential to generate additional revenue sources.

Trying to prioritize federal investments to maximize national benefits is complicated. This is why the simpler strategy of focusing on the Interstate System is appealing. But we can begin to move towards a more sophisticated investment strategy right now by developing the performance measures necessary to evaluate national investment decisions. There is currently limited data on performance measures, and no clear message from Congress about either the national goals of transportation investment or even a definition of what system components are national responsibilities.

Before we can think about prioritizing limited resources, we must first have clear direction about what we are trying to accomplish, and we must more clearly define the limits of federal interest in transportation. We should push for immediate work on the promulgation of clear national goals, performance measures, and data collection. We should begin testing these measures immediately so that when Congress is ready to tackle surface transportation policy with a "Plan B" we have the ability to guide federal dollars towards the most important priorities.

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