Negative Brief: Highway Trust Fund / Gas Tax Increase

By “Coach Vance” Trefethen

***"Resolved: The United States federal government should substantially reform its transportation policy."***

The Affirmative plan will increase the federal tax on gasoline and diesel fuel to replenish the Highway Trust Fund (HTF), which is said to be dangerously underfunded, leading to crumbling infrastructure and its consequences. This brief argues there is no crumbling infrastructure problem and even if there were, increasing the federal HTF would not solve it.

First, the HTF is not “underfunded.” Any fool knows that if you put $1 into your piggy bank and then try to take $2 out, it won’t work. Except Congress, which goes on voting year after year to spend more on highway funding than is in the HTF and then wondering why the HTF has a “shortfall.”

Second, there is no crumbling infrastructure. Roads are in better shape than they’ve ever been and we need to stop listening to folks like the American Society of Civil Engineers who say otherwise. Guess who would be hired to work on construction projects if Congress ever buys into the “crumbling infrastructure” meme? Right, the ASCE.

Finally, even if there is a shortfall and even if there were crumbling infrastructure, the status quo can solve. The States have their own gas taxes and general revenues. Any State that thinks its highways are in poor shape can fix it tomorrow, or any time they like. There’s nothing crying out for federal solutions, and federal intervention only makes things worse.

SOURCE INDICTMENT 3

American Society of Civil Engineers (who do you think will get contracts from all that extra federal money?) 3

INHERENCY 3

1. A/T “HTF constantly running out of funds” 3

FAST Act funds HTF through 2020 3

2. States can solve. If more highway spending is needed, States can raise their own taxes and do it better 3

It’s more efficient to let the States spend their own money on infrastructure, rather than cycling it through Washington 3

State infrastructure management would save money and encourage innovation better than federal management 4

Don’t raise federal highway spending: Telling the States to do it would fix infrastructure issues better 4

Without federal funding, local public-private partnerships will attract billions of new dollars into transportation upgrades 4

States have the capacity and willingness to fund highways without increasing the Highway Trust Fund 5

A/T “States can’t handle it” – They’re already doing 75% of transportation infrastructure spending 5

A/T “States can’t or won’t” – States can increase transportation projects independently of the federal government 5

A/T “States can’t afford it” – Then they’ll find other solutions off-budget that don’t raise taxes 6

A/T “States will neglect” – Transportation project proposals are usually approved at the state/local level 6

SIGNIFICANCE 6

1. A/T “General revenue funding HTF is bad” 6

Nothing wrong with general revenue HTF funding. General beneficiaries justify 6

Federal deficit isn’t a problem: WW2 created a massive debt… and a booming economy 6

2. No infrastructure crisis big enough to justify gas tax increase 7

No imminent collapse, no critical role for the federal government, no need for tax increases and no highway crisis 7

No crumbling infrastructure: US highways and bridges are doing fine 7

No crumbling infrastructure. And high profile accidents would not have been solved by higher gas tax 7

Obama’s “deteriorating” infrastructure stats are misleading: Includes things that aren’t part of the federal highway program 7

“10% of bridges are deficient” – Doesn’t mean anything 8

No pothole problem: Highways are getting smoother in Status Quo. Substantial improvement since 1989 8

SOLVENCY 8

1. Mismanagement. Lack of money isn’t the problem, it’s federal mismanagement 8

HTF fails to meet US transportation needs because of unclear goals, poor programs, bad decisions 8

2. Runaway spending. 9

Lack of money isn’t the problem, it’s Congress overspending. Even if we raise the gas tax, Congress would soon overspend it 9

3. Won’t solve congestion 9

Gas tax can’t solve the root causes of road congestion 9

Federal government is incapable of solving traffic congestion with centralized planning. States solve better 9

DISADVANTAGES 10

1. Increased waste and inefficiency 10

Federal highway aid promotes waste and inefficiency 10

Federal intervention adds substantial administrative costs to highways (17% more) 10

Leaving highway funding with the states promotes innovation, efficiency, and transparency 10

2. Robin Hood in reverse 10

Federal funding takes money from poor states and gives it to richer states. 10

3. “Crumbling Infrastructure” turn: More HTF funding makes it worse 11

“Crumbling infrastructure” isn’t that bad, but HTF makes it worse by encouraging “new” construction instead of maintenance of the old 11

Infrastructure maintenance gets worse if we raise gas tax: They’ll build new projects and stop maintaining the old ones 11

Works Cited 12

Negative Brief: Highway Trust Fund / Gas Tax Increase

SOURCE INDICTMENT

American Society of Civil Engineers (who do you think will get contracts from all that extra federal money?)

Randal O’Toole 2015 (Senior Fellow, Cato Institute; former visiting scholar at Univ of Calif.-Berkeley) 24 March 2015 “The Truth About Infrastructure” US NEWS & WORLD REPORT <https://www.usnews.com/opinion/economic-intelligence/2015/03/24/dont-raise-gas-tax-to-fix-supposed-infrastructure-crisis>

Everyone from the American Society of Civil Engineers to the AFL-CIO tells us that we face an infrastructure crisis and we must raise federal gas taxes to save our highways, bridges and other infrastructure. However, as comedian [John Oliver reminds us](https://www.youtube.com/watch?v=Wpzvaqypav8), asking civil engineers how much we should spend on infrastructure is like asking golden retrievers how many tennis balls we should throw.

INHERENCY

1. A/T “HTF constantly running out of funds”

FAST Act funds HTF through 2020

**We don’t agree that there’s any problem with the spending levels of the HTF, but even if there is, the problem is solved until 2020, so there’s no rush to do this plan.**

Robert Kirk and William Mallett 2016 (experts in transportation policy with the Congressional Research Service. The CRS is a research organization serving Congress since 1914) 1 November, 2016. “Funding and Financing Highways and Public Transportation” <https://fas.org/sgp/crs/misc/R44674.pdf>

The most recent reauthorization act, the Fixing America’s Surface Transportation Act (FAST Act; P.L. 114-94), was enacted on December 4, 2015, and authorized spending on federal highway and public transportation programs through September 30, 2020. The act provided $70 billion in general fund transfers to the HTF to support the programs over the five-year life of the act. This use of general fund transfers to supplement the HTF will have been the de facto funding policy for 12 years when the FAST Act expires at the end of FY2020. The FAST Act did not address funding of surface transportation programs over the longer term. Congressional Budget Office (CBO) projections indicate that the HTF revenue shortfalls relative to spending will reemerge following expiration of the FAST Act.

1. States can solve. If more highway spending is needed, States can raise their own taxes and do it better

It’s more efficient to let the States spend their own money on infrastructure, rather than cycling it through Washington

Dr. Veronique de Rugy 2015. (PhD economics; senior research fellow at the Mercatus Center at George Mason University) 2 Feb 2015 “The Federal Gasoline Tax Should Be Abolished, Not Increased” <http://mercatus.org/publication/federal-gasoline-tax-should-be-abolished-not-increased>

It makes little sense for the federal government to take tax money from people in the states, run it through the federal bureaucracy, and then send the money back to the states through politically conceived formulas. But that’s how the current system works. Instead, state policymakers who believe that their state needs more money for infrastructure projects should make the case to their constituents that taxes should be increased to fund such endeavors.

State infrastructure management would save money and encourage innovation better than federal management

Dr. Veronique de Rugy 2015. (PhD economics; senior research fellow at the Mercatus Center at George Mason University) 2 Feb 2015 “The Federal Gasoline Tax Should Be Abolished, Not Increased” <http://mercatus.org/publication/federal-gasoline-tax-should-be-abolished-not-increased>

Better yet, any reluctance on the part of state policymakers to seek major increases in their state’s gas tax would create an incentive to experiment with alternative forms of financing infrastructure, including getting the private sector more involved. The beauty of allowing the states to re-assume responsibility for infrastructure policy is that it would encourage innovation and competition. The states would also be free of the federal mandates that come with receiving funds from the federal government. For example, [federal Davis-Bacon rules](http://www.downsizinggovernment.org/transportation/federal-highway-funding%22%20%5Cl%20%224) require workers on federally funding projects to be paid the typically higher “prevailing wage,” which unnecessarily increases the cost of projects by approximately 10 percent.

Don’t raise federal highway spending: Telling the States to do it would fix infrastructure issues better

Chris Edwards 2013. (master’s degree in economics; former senior economist on the congressional Joint Economic Committee) “Crumbling Infrastructure” 20 Mar 2013 NATIONAL REVVIEW <http://www.nationalreview.com/article/343397/crumbling-infrastructure-chris-edwards>

Yet the way forward cannot be to jack up federal spending, since the federal government is essentially broke. Instead, we should encourage greater innovation at the state level to get more bang for our infrastructure buck. Privatization and new electronic tolling systems on highways and bridges, for example, can help the states finance new investment. In turn, that would leave more of the existing transportation funds to patch the potholes and fix the bridges that do need repairs.

Without federal funding, local public-private partnerships will attract billions of new dollars into transportation upgrades

Chris Edwards 2014. (B.A. and Masters degrees in economics; director of tax policy studies at Cato; expert on federal and state tax and budget issues; former senior economist on the congressional Joint Economic Committee) “Cut Federal Highway Spending” 8 July 2014 NATIONAL REVIEW <http://www.nationalreview.com/article/382141/cut-federal-highway-spending-chris-edwards>

Cutting federal aid would encourage states to partly privatize their highways through public-private partnerships (P3s). America is lagging countries such as Canada and Australia in the worldwide trend toward infrastructure P3s. If we embraced these reforms, we could attract billions of dollars of private financing to help upgrade our highways and bridges.

States have the capacity and willingness to fund highways without increasing the Highway Trust Fund

Michael Sargent 2015 (Policy Analyst, Transportation & Infrastructure, Thomas A. Roe Institute for Economic Policy Studies, Heritage Foundation) 11 May 2015 “Highway Trust Fund Basics: A Primer on Federal Surface Transportation Spending” <http://www.heritage.org/transportation/report/highway-trust-fund-basics-primer-federal-surface-transportation-spending>

In the midst of uncertainty in Washington, states have ramped up their own strategies to invest in their infrastructure. Over the past year, 23 states have acted to generate revenue devoted to infrastructure spending, and 110 transportation funding bills are awaiting action in 26 state legislatures in 2015. Most notably, states are using a variety of methods to raise revenue for transportation spending aside from increasing state gas taxes. These methods include:  
- State bond referenda,  
- Highway tolls,  
- Sales taxes dedicated to transportation,  
- Long-term credit financing, and  
- Private equity capital through P3s (public-private partnerships).   
In addition, states have opted to restrain transportation spending, with eight states cutting transportation spending for FY 2015. Collectively, these measures show that states have the capacity and willingness to determine their infrastructure spending at the state level without relying on Highway Trust Fund mandates or large gas tax hikes.

A/T “States can’t handle it” – They’re already doing 75% of transportation infrastructure spending

Dr. Veronique de Rugy and Tad DeHaven 2015 (de Rugy - PhD economics; senior research fellow at the Mercatus Center at George Mason University. DeHaven - Research Analyst for the Spending and Budget Initiative at the Mercatus Center at George Mason University; was a budget analyst on federal and state budget issues for the Cato Institute; was a deputy director of the Indiana Office of Management and Budget.) “A New Road for Infrastructure Spending“ 16 March 2015 <https://www.usnews.com/opinion/economic-intelligence/2015/03/16/dont-raise-the-gas-tax-just-let-states-handle-transportation-funding>

Federal spending on transportation infrastructure is a perfect example and, unfortunately, neither side is asking a more fundamental question: Should the federal government be involved at all? That question might strike readers as quaint, given that today’s federal government can spend money on pretty much anything it wants, including transportation infrastructure. But as the [Congressional Budget Office](http://www.finance.senate.gov/imo/media/doc/Kile%20Testimony.pdf) noted last year, state and local governments already pay for approximately three-quarters of total highway and mass transit spending. Most of the remaining money comes from the federal Highway Trust Fund, which is primarily supported by the federal gas tax.

A/T “States can’t or won’t” – States can increase transportation projects independently of the federal government

Kenneth Orski 2015 (public policy consultant and former principal of the Urban Mobility Corporation) 28 May 2015 “STATES’ GROWING AUTONOMY FREES UP FEDERAL HIGHWAY FUNDING” <https://www.heartland.org/news-opinion/news/states-growing-autonomy-frees-up-federal-highway-funding>

Governors and state legislatures of both parties deem the prospect of future federal funding highly uncertain, and they are therefore trying to place their transportation programs on a more stable and predictable footing less dependent on the vagaries of federal budgeting. Using local funds enables states to avoid cumbersome federal requirements that increase project costs and delay implementation. States have a genuine incentive to embrace a more proactive role in funding transportation. Twenty-three states have taken steps to raise transportation revenue in 2015. Twelve have increased their gas tax or sales tax on gasoline since 2014, and seven have increased their taxes in 2015, according to ARTBA’s Transportation Investment Advocacy Center, which tracks state transportation funding initiatives. Other measures include increasing reliance on highway tolls. Nearly 350 miles of new toll roads have been added nationally since 2011, according to the International Bridge, Tunnel and Turnpike Association. States are financing large-scale construction projects with long-term credit and entering into public-private partnerships that utilize private equity capital, availability payments, and highway tolling concessions.

A/T “States can’t afford it” – Then they’ll find other solutions off-budget that don’t raise taxes

Dr. Veronique de Rugy and Tad DeHaven 2015 (de Rugy - PhD economics; senior research fellow at the Mercatus Center at George Mason University. DeHaven - Research Analyst for the Spending and Budget Initiative at the Mercatus Center at George Mason University; was a budget analyst on federal and state budget issues for the Cato Institute; was a deputy director of the Indiana Office of Management and Budget.) “A New Road for Infrastructure Spending”16 March 2015 <https://www.usnews.com/opinion/economic-intelligence/2015/03/16/dont-raise-the-gas-tax-just-let-states-handle-transportation-funding>

Better yet, any reluctance on the part of state policymakers to seek major increases in their state’s gas tax would create an incentive to experiment with alternative forms of financing transportation infrastructure, including getting the private sector more involved. The beauty of allowing the states to re-assume responsibility for infrastructure policy is that it would encourage innovation and competition.

A/T “States will neglect” – Transportation project proposals are usually approved at the state/local level

James Pethokoukis 2014 (journalist) “The US needs better roads and bridges – and less congestion – but not a higher federal gasoline tax” 8 May 2014 <https://www.aei.org/publication/the-us-needs-better-roads-and-bridges-and-less-congestion-but-not-a-higher-federal-gasoline-tax/>

Transportation expert Rohit Aggarwala says Republicans should like the idea for its federalism, while Democrats should approve because “state and local referendums on raising taxes or issuing debt to pay for transportation projects usually pass.”

SIGNIFICANCE

1. A/T “General revenue funding HTF is bad”

Nothing wrong with general revenue HTF funding. General beneficiaries justify

Chad Shirley with the Congressional Budget Office 2011 (The CBO is the federal agency that provides legislative research and information to Congress) January 2011. “Spending and Funding for Highways” <https://www.cbo.gov/sites/default/files/112th-congress-2011-2012/reports/01-19-highwayspendingbrief.pdf>

To the extent that benefits from highway spending accrue to the nation as a whole, to both people who use highways and people who do not, some commitment of revenues from the Treasury’s general fund may be economically justified. A potential advantage of using general revenues is the large amount that can be raised. Moreover, concerns about equity can be addressed directly through the setting of tax rates, and the incremental costs of collecting additional general revenues are negligible.

Federal deficit isn’t a problem: WW2 created a massive debt… and a booming economy

Dr. Paul Krugman 2012 (PhD economics)1 Jan 2012 NEW YORK TIMES “Nobody Understands Debt” <http://www.nytimes.com/2012/01/02/opinion/krugman-nobody-understands-debt.html?mcubz=1>

First, families have to pay back their debt. Governments don’t — all they need to do is ensure that debt grows more slowly than their tax base. The debt from World War II was never repaid; it just became increasingly irrelevant as the U.S. economy grew, and with it the income subject to taxation. Second — and this is the point almost nobody seems to get — an over-borrowed family owes money to someone else; U.S. debt is, to a large extent, money we owe to ourselves. This was clearly true of the debt incurred to win World War II. Taxpayers were on the hook for a debt that was significantly bigger, as a percentage of G.D.P., than debt today; but that debt was also owned by taxpayers, such as all the people who bought savings bonds. So the debt didn’t make postwar America poorer. In particular, the debt didn’t prevent the postwar generation from experiencing the biggest rise in incomes and living standards in our nation’s history.

1. No infrastructure crisis big enough to justify gas tax increase

No imminent collapse, no critical role for the federal government, no need for tax increases and no highway crisis

Marc Scribner 2015 (senior fellow at the Competitive Enterprise Institute) [How Not to Fix, and Fix, Federal Surface Transportation Policy](https://cei.org/blog/how-not-fix-and-fix-federal-surface-transportation-policy) 9 March 2015 <https://cei.org/blog/how-not-fix-and-fix-federal-surface-transportation-policy>

A lot of misinformation and scaremongering swells around transportation infrastructure policy in Washington. We are told our highway network is on the verge of collapse ([false](http://reason.org/files/us_highway_performance_20_year_trends_full_study.pdf)), that the federal role is the most critical component of government transportation infrastructure funding ([false](http://www.pewtrusts.org/~/media/Assets/2014/09/SurfaceTransportationIntergovernmentalChallengesFunding.pdf#page=7)), and that things will only get worse unless we submit to massive federal gas tax increases ([false](http://reason.com/archives/2015/01/06/whos-going-to-pay-for-new-high)). To be sure, there are many transportation projects that should be completed over the next two decades. But the “crisis” is politically manufactured. The infrastructure lobby does no one any favors by overstating the problem and supporting reckless and inefficient tax-and-spend policies.

No crumbling infrastructure: US highways and bridges are doing fine

Chris Edwards 2013. (master’s degree in economics; former senior economist on the congressional Joint Economic Committee) “Crumbling Infrastructure” 20 Mar 2013 NATIONAL REVVIEW <http://www.nationalreview.com/article/343397/crumbling-infrastructure-chris-edwards>

But is America’s infrastructure really crumbling? For highways and bridges, the government’s own data show that the answer is generally no. Let’s look at the data on bridges. The Federal Highway Administration reports that there were 5,345 “structurally deficient” bridges in the National Highway System in 2011. That was just 4.6 percent of all 116,929 NHS bridges. And here’s the surprising fact: That percentage has been falling steadily from the 8.7 percent reported by the FHWA in 1992.

No crumbling infrastructure. And high profile accidents would not have been solved by higher gas tax

Randal O’Toole 2014 (Senior Fellow, Cato Institute; former visiting scholar at Univ of Calif.-Berkeley) 3 July 2014 “Five Reasons Not to Raise the Gas Tax” <http://www.huffingtonpost.com/randal-otoole/five-reasons-not-to-raise_b_5555387.html>

Our highway infrastructure isn’t crumbling. Contrary to popular reports, our highways and bridges are in great shape. Despite the fact that Congress has diverted well over a fifth of gas taxes to non-highway projects, the number of bridges considered “structurally deficient” has declined by more than 50 percent since 1990 and the average smoothness of our roads has increased every year. Recent bridge collapses in Minnesota and Washington weren’t due to inadequate maintenance. One fell due to a construction error that maintenance could not have detected or fixed; the other fell because an oversized truck illegally tried to cross the bridge. Increasing federal gas taxes could not have prevented these or other recent highway problems.

Obama’s “deteriorating” infrastructure stats are misleading: Includes things that aren’t part of the federal highway program

Chris Edwards 2013. (master’s degree in economics; former senior economist on the congressional Joint Economic Committee) “Crumbling Infrastructure” 20 Mar 2013 NATIONAL REVVIEW <http://www.nationalreview.com/article/343397/crumbling-infrastructure-chris-edwards>

In his State of the Union address this year, Obama implied that our infrastructure was “deteriorating,” and he pointed to “nearly 70,000 structurally deficient bridges.” The president was talking about not only NHS bridges — which the federal government is partly responsible for funding — but all bridges in the country, which totaled 605,086 in 2011.

“10% of bridges are deficient” – Doesn’t mean anything

Patrick Brennan 2014. (journalist) 25 Apr 2014 “America’s Infrastructure Isn’t Crumbling” NATIONAL REVIEW <http://www.nationalreview.com/agenda/376587/americas-infrastructure-isnt-crumbling-patrick-brennan>

It sounds scary that 10 percent of America’s bridges are deficient (that’s about 63,000 out about about 600,000), but what does “structurally deficient” actually mean? It doesn’t indicate any particular risk of failure, just that the bridge rates a 4 or below on the FHA’s condition-rating index, which means it has “advanced section loss, deterioration, spalling or scour” or something worse (there’s another ratings system that’s two decades old that they sometimes use, too). But if it’s rated 2, 1, or 0, the bridge is closed or considered for closure. So it’s not clear we’re running serious risks — which is why bridge collapses are really rare.

No pothole problem: Highways are getting smoother in Status Quo. Substantial improvement since 1989

Chris Edwards 2013. (master’s degree in economics; former senior economist on the congressional Joint Economic Committee) “Crumbling Infrastructure” 20 Mar 2013 NATIONAL REVVIEW <http://www.nationalreview.com/article/343397/crumbling-infrastructure-chris-edwards>

Rather than becoming more potholed, as LaHood claimed, our highways are getting smoother. Since 1989 the FHWA has reported the International Roughness Index for U.S. highways; the index ranges from 0 for the smoothest highways to 300 for the roughest. Here are the calculations of average IRI scores for different types of highways in 1989 and 2009: urban interstates, 115 and 92; other urban freeways, 124 and 101; rural interstates, 101 and 77; and other rural arteries, 104 and 87. For each type of highway, the scores show that surface qualities have improved substantially over time.

SOLVENCY

1. Mismanagement. Lack of money isn’t the problem, it’s federal mismanagement

HTF fails to meet US transportation needs because of unclear goals, poor programs, bad decisions

US Government Accountability Office 2015. Funding the Nation's Surface Transportation System 11 Feb 2015 <http://gao.gov/highrisk/funding_transportation/why_did_study#t=1>

The challenge of funding the Nation’s surface transportation system is magnified by the fact that spending for surface transportation programs has not commensurately improved system performance. Many programs have not effectively addressed key challenges—such as increasing congestion and freight demand—because federal goals and roles have been unclear, programs have lacked links to performance, and programs have not used the best tools and approaches to ensure effective investment decisions.

1. Runaway spending.

Lack of money isn’t the problem, it’s Congress overspending. Even if we raise the gas tax, Congress would soon overspend it

Randal O’Toole 2014 (Senior Fellow, Cato Institute; former visiting scholar at Univ of Calif.-Berkeley) 3 July 2014 “Five Reasons Not to Raise the Gas Tax” <http://www.huffingtonpost.com/randal-otoole/five-reasons-not-to-raise_b_5555387.html>

The problem is not a shortage of funds but an excess of spending. For more than 50 years after Congress created the Highway Trust Fund in 1956 it was able to avoid a shortage of funds by a simple measure: it didn’t spend more than was collected in gas taxes. That changed in 2008, when tax revenues declined due to the financial crisis but Congress continued to spend as if the revenues were growing. Since 2008, Congress has had to replenish the trust fund with $55 billion in general funds. This isn’t, however, a subsidy to highways; in the last decade, Congress has diverted well over $55 billion of gas taxes to non-highway projects. Increasing the gas tax would simply allow Congress to increase spending on often-frivolous projects that do nothing for highway travelers, with no guarantee that it would keep spending below revenues. Thus, in two or three years we would be likely to see the fund once again run out of money.

1. Won’t solve congestion

Gas tax can’t solve the root causes of road congestion

Randal O’Toole 2014 (Senior Fellow, Cato Institute; former visiting scholar at Univ of Calif.-Berkeley) 3 July 2014 “Five Reasons Not to Raise the Gas Tax” <http://www.huffingtonpost.com/randal-otoole/five-reasons-not-to-raise_b_5555387.html>

Gas taxes were originally implemented by the states nearly a hundred years ago because they were cheap to collect and congestion wasn’t a serious problem. Today, Americans waste more than $100 billion a year sitting in traffic, and the main reason for congestion is that roads are improperly priced. Gas taxes are an inefficient user fee because they don’t tell drivers that it costs more to drive on some roads than others or during some parts of the day than others. Oregon and other states are developing electronic fee collection systems that insure that people pay for what they use while protecting privacy.

Federal government is incapable of solving traffic congestion with centralized planning. States solve better

Emily Goff and Matthew Grinney 2014 (Grinney is a Research Assistant in the B. Kenneth Simon Center for Principles and Politics. Goff is a Policy Analyst in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. ) 9 Apr 2014 Bringing Transportation Decisions Closer to the People: Why States and Localities Should Have More Control <http://www.heritage.org/transportation/report/bringing-transportation-decisions-closer-the-people-why-states-and-localities>

The most recent data show that congestion causes the average commuter to waste 19 gallons of gas a year and spend an additional 38 hours behind the wheel—nearly a full work week. Even more time is lost for commuters in large metropolitan areas, such as Philadelphia (48 hours) and Houston (52 hours). The federal government’s current approach to surface transportation contributes to much of the problem by centralizing decision making in Washington, even though state and local authorities are more sensitive to unique, local conditions and better positioned to solve their communities’ transportation problems than are distant federal officials.

DISADVANTAGES

1. Increased waste and inefficiency

Federal highway aid promotes waste and inefficiency

Gabriel Roth 2010 (civil engineer and transportation economist; research fellow at the Independent Institute. During his 20 years with the World Bank, he was involved with transportation projects on five continents ) “Federal Highway Funding” 1 June 2010 <https://www.downsizinggovernment.org/transportation/federal-highway-funding>

Federal aid typically covers between 75 and 90 percent of the costs of federally supported highway projects. Because states spend only a small fraction of their own resources on these projects, state officials have less incentive to use funds efficiently and to fund only high-priority investments. Boston's Central Artery and Tunnel project (the "Big Dig"), for example, suffered from poor management and huge cost overruns. Federal taxpayers paid for more than half of the project's total costs, which soared from about $3 billion to about $15 billion.

Federal intervention adds substantial administrative costs to highways (17% more)

Gabriel Roth 2010 (civil engineer and transportation economist; research fellow at the Independent Institute. During his 20 years with the World Bank, he was involved with transportation projects on five continents ) “Federal Highway Funding” 1 June 2010 <https://www.downsizinggovernment.org/transportation/federal-highway-funding>

Finally, federal intervention adds substantial administrative costs to highway building. Planning for federally financed highways requires the detailed involvement of both federal and state governments. By dividing responsibility for projects, this split system encourages waste at both levels of government. Total federal, state, and local expenditures on highway "administration and research" when the highway trust fund was established in 1956 were 6.8 percent of construction costs. By 2002, these costs had risen to 17 percent of expenditures. The rise in federal intervention appears to have pushed up these expenditures substantially.

Leaving highway funding with the states promotes innovation, efficiency, and transparency

Gabriel Roth 2010 (civil engineer and transportation economist; research fellow at the Independent Institute. During his 20 years with the World Bank, he was involved with transportation projects on five continents ) “Federal Highway Funding” 1 June 2010 <https://www.downsizinggovernment.org/transportation/federal-highway-funding>

With the devolution of highway financing and control to the states, successful innovations in one state would be copied in other states. And without federal subsidies, state governments would have stronger incentives to ensure that funds were spent efficiently. An additional advantage is that highway financing would be more transparent without the complex federal trust fund. Citizens could better understand how their transportation dollars were being spent.

1. Robin Hood in reverse

Federal funding takes money from poor states and gives it to richer states.

WALL STREET JOURNAL 2015 “Abolish the Gas Tax” 14 Jan 2015 <http://www.nssga.org/wp-content/uploads/2015/01/Abolish-the-Gas-Tax-WSJ.pdf> (brackets added)

In an ingenious 2013 paper, Pengyu Zhu of Boise State University and Jeffrey Brown of Florida State studied federal highway spending between 1974 and 2008. They found that the gas tax tended to redistribute money from poorer to wealthier states and to regions with lower transportation needs than other parts of the country. Texas recovered only 88 cents of every dollar residents paid in taxes, while seven states and Washington, D.C. (no surprise) received more than twice as much. Such misallocated resources are the inevitable result of the political mediation of the HTF [Highway Trust Fund].

1. “Crumbling Infrastructure” turn: More HTF funding makes it worse

“Crumbling infrastructure” isn’t that bad, but HTF makes it worse by encouraging “new” construction instead of maintenance of the old

Michael Sargent 2015 (Policy Analyst, Transportation & Infrastructure, Thomas A. Roe Institute for Economic Policy Studies, Heritage Foundation) 11 May 2015 “Highway Trust Fund Basics: A Primer on Federal Surface Transportation Spending” <http://www.heritage.org/transportation/report/highway-trust-fund-basics-primer-federal-surface-transportation-spending>

While the common perception is that America’s infrastructure is “crumbling” and thus requires more federal expenditures, the reality is not nearly as bleak. Some infrastructure certainly requires maintenance and updating, as congestion is a major concern in many metropolitan areas. Indeed, the federal government provides perverse incentives for states to spend billions on new, unneeded projects instead of maintaining existing systems.

Infrastructure maintenance gets worse if we raise gas tax: They’ll build new projects and stop maintaining the old ones

Randal O’Toole 2015 (Senior Fellow, Cato Institute; former visiting scholar at Univ of Calif.-Berkeley) 24 March 2015 “The Truth About Infrastructure” US NEWS & WORLD REPORT <https://www.usnews.com/opinion/economic-intelligence/2015/03/24/dont-raise-gas-tax-to-fix-supposed-infrastructure-crisis>

Managers of user-fee-funded infrastructure know they have to maintain the facilities to keep users happy and revenues flowing. On the other hand, as Oliver noted, politicians happily cut ribbons for new projects but consider maintenance of existing infrastructure to be politically boring. This means raising federal gasoline taxes is likely to do more harm than good. Congress will be motivated to use most of that money for construction of new roads and transit facilities that state and local governments won’t have the money to maintain.

Works Cited

1. Randal O’Toole 2015 (Senior Fellow, Cato Institute; former visiting scholar at Univ of Calif.-Berkeley) 24 March 2015 “The Truth About Infrastructure” US NEWS & WORLD REPORT <https://www.usnews.com/opinion/economic-intelligence/2015/03/24/dont-raise-gas-tax-to-fix-supposed-infrastructure-crisis>
2. Robert Kirk and William Mallett 2016 (experts in transportation policy with the Congressional Research Service. The CRS is a research organization serving Congress since 1914) 1 November, 2016. “Funding and Financing Highways and Public Transportation” <https://fas.org/sgp/crs/misc/R44674.pdf>
3. Dr. Veronique de Rugy 2015. (PhD economics; senior research fellow at the Mercatus Center at George Mason University) 2 Feb 2015 “The Federal Gasoline Tax Should Be Abolished, Not Increased“ <http://mercatus.org/publication/federal-gasoline-tax-should-be-abolished-not-increased>
4. Chris Edwards 2013. (master’s degree in economics; former senior economist on the congressional Joint Economic Committee ) “Crumbling Infrastructure” 20 Mar 2013 NATIONAL REVVIEW <http://www.nationalreview.com/article/343397/crumbling-infrastructure-chris-edwards>
5. Chris Edwards 2014. (B.A. and Masters degrees in economics; director of tax policy studies at Cato ; expert on federal and state tax and budget issues; former senior economist on the congressional Joint Economic Committee) “Cut Federal Highway Spending” 8 July 2014 NATIONAL REVIEW <http://www.nationalreview.com/article/382141/cut-federal-highway-spending-chris-edwards>
6. Michael Sargent 2015 (Policy Analyst, Transportation & Infrastructure, Thomas A. Roe Institute for Economic Policy Studies, Heritage Foundation) 11 May 2015 “Highway Trust Fund Basics: A Primer on Federal Surface Transportation Spending” <http://www.heritage.org/transportation/report/highway-trust-fund-basics-primer-federal-surface-transportation-spending>
7. Dr. Veronique de Rugy and Tad DeHaven 2015 (de Rugy - PhD economics; senior research fellow at the Mercatus Center at George Mason University. DeHaven - Research Analyst for the Spending and Budget Initiative at the Mercatus Center at George Mason University; was a budget analyst on federal and state budget issues for the Cato Institute; was a deputy director of the Indiana Office of Management and Budget.) “A New Road for Infrastructure Spending“ 16 March 2015 <https://www.usnews.com/opinion/economic-intelligence/2015/03/16/dont-raise-the-gas-tax-just-let-states-handle-transportation-funding>
8. Kenneth Orski 2015 (public policy consultant and former principal of the Urban Mobility Corporation) 28 May 2015 “STATES’ GROWING AUTONOMY FREES UP FEDERAL HIGHWAY FUNDING” <https://www.heartland.org/news-opinion/news/states-growing-autonomy-frees-up-federal-highway-funding>
9. James Pethokoukis 2014 (journalist) “The US needs better roads and bridges – and less congestion – but not a higher federal gasoline tax” 8 May 2014 <https://www.aei.org/publication/the-us-needs-better-roads-and-bridges-and-less-congestion-but-not-a-higher-federal-gasoline-tax/>
10. Chad Shirley with the Congressional Budget Office 2011 (The CBO is the federal agency that provides legislative research and information to Congress) January 2011. “Spending and Funding for Highways” <https://www.cbo.gov/sites/default/files/112th-congress-2011-2012/reports/01-19-highwayspendingbrief.pdf>
11. Dr. Paul Krugman 2012 (PhD economics)1 Jan 2012 NEW YORK TIMES “Nobody Understands Debt” <http://www.nytimes.com/2012/01/02/opinion/krugman-nobody-understands-debt.html?mcubz=1>
12. Marc Scribner 2015 (senior fellow at the Competitive Enterprise Institute ) How Not to Fix, and Fix, Federal Surface Transportation Policy 9 March 2015 <https://cei.org/blog/how-not-fix-and-fix-federal-surface-transportation-policy>
13. Randal O’Toole 2014 (Senior Fellow, Cato Institute; former visiting scholar at Univ of Calif.-Berkeley) 3 July 2014 “Five Reasons Not to Raise the Gas Tax” <http://www.huffingtonpost.com/randal-otoole/five-reasons-not-to-raise_b_5555387.html>
14. Patrick Brennan 2014. (journalist ) 25 Apr 2014 “America’s Infrastructure Isn’t Crumbling” NATIONAL REVIEW <http://www.nationalreview.com/agenda/376587/americas-infrastructure-isnt-crumbling-patrick-brennan>
15. US Government Accountability Office 2015. Funding the Nation's Surface Transportation System 11 Feb 2015 <http://gao.gov/highrisk/funding_transportation/why_did_study#t=1>
16. Emily Goff and Matthew Grinney 2014 (Grinney is a Research Assistant in the B. Kenneth Simon Center for Principles and Politics. Goff is a Policy Analyst in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. ) 9 Apr 2014 Bringing Transportation Decisions Closer to the People: Why States and Localities Should Have More Control <http://www.heritage.org/transportation/report/bringing-transportation-decisions-closer-the-people-why-states-and-localities>
17. Gabriel Roth 2010 (civil engineer and transportation economist; research fellow at the Independent Institute. During his 20 years with the World Bank, he was involved with transportation projects on five continents ) “Federal Highway Funding” 1 June 2010 <https://www.downsizinggovernment.org/transportation/federal-highway-funding>
18. WALL STREET JOURNAL 2015 “Abolish the Gas Tax” 14 Jan 2015 <http://www.nssga.org/wp-content/uploads/2015/01/Abolish-the-Gas-Tax-WSJ.pdf>