

Gary Rowe

From: Anthony R. Giancola [agiancol@naco.org] **Sent:** Fri 6/4/2010 6:25 AM
To:
Cc:
Subject: FW: Some Frank and Unscripted Comments from Capitol Hill
Attachments:

All,

This Washington transportation analyst and correspondent issues these periodically. This particularly one provides a frank analysis of what is going on the Washington with regards to the next authorization and in my view is worthy of your review. The proposed Kerry-Lieberman Climate bill is particularly alarming since it will be using transportation dollars for other programs.

Regards, Tony

From: KEN ORSKI [<mailto:korski@verizon.net>]
 Sent: Thursday, June 03, 2010 6:56 PM
 To: Our Readers
 Subject: Some Frank and Unscripted Comments from Capitol Hill

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Some Frank and Unscripted Comments from Capitol Hill

We have noted before in these pages that there seems to be no sign of a popular outcry about the stalled transportation authorization and no willingness on the part of the public to tax themselves to support a larger program of infrastructure modernization. Warnings by advocacy groups about "crumbling infrastructure" seem to fall on deaf ears. Nor is the Administration showing any desire to move a multi-year transportation bill this year. Our assessment was validated by some frank and unscripted comments at the May 26 annual meeting of the Coalition for America's Gateways and Trade Corridors. The Coalition advocates increasing federal investment in America's intermodal freight infrastructure, and its influence on Capitol Hill was demonstrated by its ability to call on a large and influential group of congressional lawmakers and senior congressional staff to brief Coalition members.

Addressing the group were Senator Patty Murray (D-WA), chairman of the Senate Appropriations

Subcommittee on Transportation, Reps. John Mica (R-FL), Peter DeFazio (D-OR), Albio Sires (D-NJ) and Steve Cohen (D-TN) of the House Transportation and Infrastructure Committee; and Reps. Dave Reichert (R-WA) and Earl Blumenauer (D-OR) of the House Ways and Means Committee. Coalition members also heard from a panel of key senate staffers from the Environment and Public Works Committee (EPW) and the Commerce, Science and Transportation Committee. Jeff Davis, publisher of the Transportation Weekly and an astute observer of the congressional scene was also a member of that panel. Participating on behalf of the Administration were Undersecretary for Transportation Policy Roy Kienitz and Assistant Secretary of Commerce Nicole Lamb-Hale.

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"Does the public perceive a crisis? What do your constituents tell you?" asked one participant. Members of the Senate panel did not answer the question directly but their comments left no doubt as to how they assess the political environment. The public, they suggested, is skeptical that any additional money would result in tangible improvements in mobility. The level of public trust in the federal government's ability to solve the nation's problems is low. Local transportation tax initiatives get to be approved because local officials can point to specific improvements that new taxes will buy. People know what they are voting for and see tangible results for their tax dollars. They do not have the same sense of trust and confidence in the promises of the federal government. We have not done a good enough job of presenting the case for infrastructure investment at the federal level, was the panelists circumspect conclusion.

The Senate panel's reflections echoed the findings of a recent survey by the nonpartisan Pew Research Center. The survey found that by almost every conceivable measure, Americans are more critical of their government these days. There is less appetite for federal government solutions to the nation's problems and favorable ratings for Congress have reached record lows, reports Andrew Kohut, president of the Pew Research Center in a Wall Street Journal article ("Americans Are More Skeptical of Washington Than Ever," WSJ, April 19, 2010). Public opinion about elected officials in Washington is "relentlessly negative," writes Kohut. Just 25 percent have a favorable opinion of Congress while 65 percent have an unfavorable view — the lowest favorable ratings for Congress in more than two decades of Pew Research Center surveys. "Record discontent with Congress and dim view of elected officials generally have poisoned the well for trust in the federal government." concludes Kohut.

Other remarks offered during the day long meeting provided additional interesting insights:

On the likelihood of passing a transportation bill during this session of Congress: It's hard to get a bill of this size passed through Congress with an Administration that is opposed to it. As long as the Administration can use appropriated discretionary dollars to fund its priorities, it has no incentive to press for an early passage of a long term authorization, observed one member of the Senate panel.

On the prospects for a gas tax increase: Chairman Oberstar doesn't have the votes to raise the gas tax and the gas tax won't work at 18 cents in the future, said Rep Mica. Does he think the new Congress will pass a gas tax increase next year? he was asked. "Not a chance," Mica replied. It won't be any easier next year, echoed Rep. DeFazio. Republicans don't like to mention taxes, neither does the White House. Between the two, there won't be any meaningful discussion. Rep. Blumenauer agreed: the will to raise the money simply isn't there, he said.

On the Administration's proposal to create a \$25 billion Infrastructure Fund over five years: "That's peanut brain thinking," commented Rep. Mica. Just three projects in the New York metro area will take that much money. We need at least \$250 billion, he said (the three projects Rep Mica was referring to are the new Hudson River tunnel, the Second Avenue subway and the LIRR East Side Access project). Rep DeFazio was equally skeptical: It's a great idea for projects like sewers and toll roads that generate their own revenue with which to pay back the borrowed money, he observed, but it will not help transit or highway reconstruction, neither of which generates money.

On the Administration's "Livability" initiative: One of the biggest problems the Administration has in this regard is a lack of a definition of "livability." In the absence of a clear definition, it's difficult to determine what the benefits of a "livability" program will be, one congressional aide volunteered.

On tolling: Tolling at best is a way to fund certain roads in certain states. It is not a way to fund a national program, another congressional aide observed.

On the Administrations High Speed Rail initiative: \$8 billion is "pretty laughable," Rep. DeFazio stated. ... "China will spend that much in eight weeks," Rep. Blumenauer added.

More congressional feedback came during a Transportation Construction Coalition Fly-in organized by the American Road and Transportation Builders Association at the end of May. The climate change bill released by Senators John Kerry (D-MA) and Joseph Lieberman (I-CT) came under criticism by Senate Environment and Public Works Ranking Member Jim Inhofe (R-OK). The bill would increase the gas tax, he said, but divert the bulk of the revenue to programs unrelated to transportation. Rep. Blumenauer agreed: "I am very reluctant to give up transportation dollars and get pennies in return," he said. (Note: Of the estimated annual total of \$19.5 billion generated from the sales of carbon allowances, no more than \$6.25 billion would be directed to transportation programs and of that amount only \$2.5 billion would be dedicated to the Highway Trust Fund. That's less than 13 percent.)

All in all, a depressing picture, one participant at the May 26 Trade Coalition briefings commented to us after listening to the congressional remarks. Congress appears consumed with the upcoming mid-term elections and is paralyzed in the face of mounting concerns about unsustainable deficits and rising national debt. Expressions of alarm about deteriorating infrastructure do not seem to resonate with the wider public. Perhaps that is what led the White House to conclude that it can safely postpone dealing with the transportation reauthorization without suffering political repercussions, another participant privately speculated.

But we think there is a more positive way of looking at the current situation. Thanks to an infusion of \$34.5 billion from the General Fund into the Highway Trust Fund, the surface transportation program is assured of adequate funding (i.e. at the levels authorized for FY 2009) at least through the end of Fiscal Year 2012 and perhaps as long as the second or third quarter of Fiscal Year 2013, according to our reading of the recent Congressional Budget Office projections (CBO, March 19, 2010.) The \$38 billion allocated to transportation infrastructure in the Recovery Act (of which \$5.4 billion remains unspent) has provided important additional relief to transportation. Hence, the transportation sector is not in dire need of funds at this point. Postponing a multi-year bill until after the 2012 presidential election would allow the nation to consider new ways of paying for transportation infrastructure in a more favorable economic climate and in an environment less colored by electoral politics.

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