

# InfrastructureUSA

## Guest on THE INFRA BLOG

**Patrick D. Jones, CEO and Executive Director, International Bridge, Tunnel and Turnpike Association (IBTTA)**

**Conversation with Steve Anderson, Managing Director, InfrastructureUSA**

### **Political Will to Fund Infrastructure**

We recognize that transportation is a big part of the economy and that roads are very important for both freight and passenger transportation, but we are not investing enough to support our road infrastructure. You have seen all of the studies and reports that the gas tax, which is the traditional means of funding roads, is not enough. The federal gas tax hasn't been increased since 1993 and as a consequence, gas tax revenues are declining. It's lost a lot of its purchasing power both due to inflation and due to the increasing fuel efficiency of the vehicle fleet. And so Congress is in the position now where they've had to transfer, since 2008, over \$50 billion from the General Fund to the Highway Trust Fund. So I think the issue comes down to political will. Everybody's willing to talk about the need for infrastructure investment. The American Society of Civil Engineers came out with its report card that gave infrastructure a D+. The Texas Transportation Institute has come out with its congestion thing, which talks about the billions of dollars that people waste in congestion every year, and there is still a reluctance to act. In my view, a big part of it is political will. And what we're trying to do is present the evidence and educate people and get citizen involvement, to get the citizens behind their elected officials, their policymakers, their lawmakers, to make some changes, to reinvest in our infrastructure.

### **Why Tolling Works**

This country has relied on the gas tax for supporting highway infrastructure and it's becoming less and less sustainable to support highways. I represent a constituency of organizations that are owners and operators of toll facilities and the businesses that serve tolling. Tolling is one of the ways to pay for and finance road infrastructure. In fact every year in this country, tolling generates about \$12 billion a year in revenues to support about 5,300 miles of roads, bridges, and tunnels, and that represents about a third of the revenues that come from the federal fuel tax. So think about that: you've got 5,300 miles of roads that generate \$12 billion a year in revenues compared to 2 million miles of paved roads on which people are paying say \$34 billion a year in gas taxes. So one thing we can be certain is the toll roads in this country are very efficient at generating revenue to support those miles. So we are promoting tolling because we see it as a much more sustainable model; you pay for what you use. If you don't use it, you don't pay for it. And tolling is much more accepted today than it has been in the past. You know, in the old days when we were kids, we'd hand our dollar to a toll collector or toss our coins in the basket and we would have to stop before we did that. And tolling was sort of seen as a barrier to mobility, but not anymore: tolling is more 'go go go'

today. And with electronic tolling we've eliminated the need to stop and wait to pay a toll. And so what we see now as the barrier to mobility is the continued reliance on the fuel tax. We're relying on this thing that on the federal level has not been increased in the last 20 years and is losing its purchasing power. Whereas tolling, which is going all-electronic, is sustainable; you only pay it on the roads that you use and you don't have to stop and wait. You get to drive at highway speeds using all electronic tolling.

### **Roads Need a Constant Revenue Stream**

One of the frequent myths that you will hear from people who oppose tolls is, "the roads are already paid for. We already paid with our gas tax." The myth there is that a road is never completely paid for. Think about if you own a house: even if your mortgage is paid off, you still need to pay to operate and maintain that house. Maybe your roof is 20 years old and you need a new roof, maybe the siding is coming off the house, you've got to repaint the house, you've got plumbing problems, you've got electrical problems. Whatever it is, you need to do things. You need to invest to maintain that house. And the same is true of our road mileage. As soon as you pave a road it begins to break down, not because the road is inferior or we used inferior products, it's part of nature. Nature breaks things down. So the notion that the road is already paid for is false; it's a simple fallacy. The beauty of tolling is that it provides an ongoing revenue stream not only to pay off the bonds that were used to build the road in the first place, but also to pay for the ongoing maintenance and operation. If you have to rely on a gas tax then you've got to go to the state legislature or you've got to go to Congress every year or every couple of years and plead for that money; with tolling you've got the money coming in.

### **We're Too Patient with our Failing Infrastructure**

We've grown up with these highways around us. We've seen the congestion increasing over time. It's been a gradual kind of thing, and maybe we don't notice. It isn't so discernible from one day to the next, or from one year to the next, until that one day you get in your car and you don't know if it's going to take you 30 minutes to get to work or an hour and 30 minutes. It's the unreliability of the system that becomes so apparent. If you compare the congestion on the highways in our major urban areas like Washington, D.C. at rush hour, it's equivalent to having a brownout twice in the day, in the evening and the morning rush hour, that we have grown to accept. Imagine living in your home and not being able to run your appliances or electricity or lights at full power or even any power at all during certain hours of the day because there is an excessive load on the system.

### **Roads Are a Service, Not a One-Time Purchase**

Our job is really to educate people, both the general public as well as lawmakers, and try to spur them to action, help them to understand that the choices they're making, the choice of not paying and investing in infrastructure is causing greater pain, greater hardship, greater costs in other aspects of their lives. People will pick up their smart phone and they pay the monthly bill for that. They pay the monthly bill for their water and electricity and they're used to that, but there's something about when we get out

there in our vehicles on the highway we feel that, well, this is something that's always there. It's like air. I don't need to pay for that. And we need to reeducate people that a road is a service, is a utility in the same way that your smart phone or your electricity or your water is. You are paying for the use of the system. And until we make that connection I think we will be challenged to make change.

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