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Subsidizing the people who need it the least

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With a global economy, just-in-time manufacturing and a human desire for an ever-increasing number of choices, getting people and stuff from point A to point B—and C and D and E—is increasingly important. But how should government assist in seeing that this need is addressed?

Enter the American Association of State Highway and Transportation Officials (AASHTO), which is weighing in this year with six reports. The organization (www.transportation.org) has already released two reports to a national committee established to advise Congress on transportation.

In its most recent report, AASHTO lays out 8 “bold goals.” The first is to increase federal highway funding from \$43 billion a year to \$73 billion a year by 2015 and to increase annual transit funding from \$10.3 billion to \$17.3 billion from current plans. Both forms of transportation would receive a 70 percent increase, which is a curious coincidence, given the significant differences between the two.

There is much to commend in the report, which clearly recognizes the value of transporting people and goods. It’s filled with amazing and appalling numbers. Between the late 1950s and today, the number of vehicle miles of travel on our highways increased by 500 percent, while the system itself grew only 15 percent. The country sees 3 trillion vehicle miles of travel each year.

Many of the “bold goals” that the group came out with are admirable. Preserve and expand the Interstate Highway System. Reduce highway fatalities. Reduce traffic congestion.

Some of the tools to achieve those goals are worthwhile, too. Use electronic tolling to replace turnpike booths. Clear traffic incidents and manage traffic flow. Increase the use of toll roads to add capacity and maintain it.

But there are some troublesome aspects to the report as well, including policy overreach and a push for transit.

According to the cliché, the man with a hammer sees nails everywhere. AASHTO might be accused of seeing the need to influence every aspect of modern life in the pursuit of transportation policy. “Meeting America’s surface transportation needs,” we read, requires “solutions that go beyond transportation improvements.” That sounds reasonable enough, as government action in one policy area (e.g., labor law) often carries implications for another (e.g., health care).

But AASTHO believes that solutions to transportation needs must “include policies addressing land use, energy, global climate change, the environment, and community quality of life.”

With an agenda like that, it’s hard to imagine any area of life that is not the concern of transportation planners. But given the dismal results of urban planning and the war on poverty over the past generation, we should be suspicious of large-scale solutions.

The other major weakness of the report is its call for doubling transit use over the next 20 years. It concedes that transit’s glory days are in the distant past of World War II rationing. Still, it points with hope to the 460 miles of rail that were added nationally between 1996 and 2006. By contrast, the Interstate Highway System has 47,000 miles.

The push for transit goes against demographic and economic trends, however. Wendell Cox, who operates the consultancy Public Purpose (<http://www.publicpurpose.com/>) argues that the decline in market share of public transport in urban areas has been a global phenomenon since at least 1980.

Even in population-dense Europe, increased wealth has led to more automobile use. The share of passenger transport devoted to heavy rail declined between 1980 and 2000, from 8.2 to 6.3 percent. The market share of bus service went down (11.6 to 8.5), as did the share of light rail (1.4 to 1.1.)

What went up? Air travel (2.5 percent to 5.8 percent) and automobile travel (from 76.4 to 78.3 percent). Remember, gasoline costs much more in Europe, due in part to higher taxes meant to fund transit systems.

In the United States, meanwhile fewer than 5 percent of all commuters rely on transit. If that’s the case, doubling transit use won’t have a significant impact.

A push towards transit is undesirable for another reason: it’s regressive, at least in recent history.

As Margy Waller points out in a paper published by the Brookings Institution (<http://www.brookings.edu>), rail service is more heavily subsidized than bus service. Yet rail service is the “in” thing in planning circles. Perhaps that’s because bus ridership skews towards the politically weaker poor and transit dependent, while rail is favored by suburbanites and wealthier individuals who have more transportation options. Further, it’s more difficult to change rail routes than it is to change bus routes.

In other words, current transit policy is giving the greatest subsidies to the least efficient, least flexible form of transit, which serves the segment of the population that needs it the least. As Cox points out, if moving the people who need help moving is our goal, it would be cheaper to lease luxury vehicles for transit users than to develop most rail lines.

By its nature, transportation networks require some public planning. AASHTO has offered up a number of considerations in the planning process. Will they get implemented? Not for a long time. Will they be useful? As with most things in public policy, the record will be a mixed.