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U.S. keeps building new highways while letting old ones crumble

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WASHINGTON — -- Oil-rich Texas has built more highways and bridges than any other state, but over the next two decades it will fall \$170 billion short of what it needs to keep the sprawling network in good repair.

In California, transportation officials estimate that 60 percent of the state's roads and a quarter of its bridges need to be repaired or replaced, at a projected cost of \$70 billion over a decade, some \$52 billion more than the available funds.

North Carolina anticipates that it will fall short of keeping its highways in current condition by \$22 billion over the next 30 years, and would need more than twice that amount to improve them.

America's highway system, once a symbol of freedom and mobility envied the world over, is crumbling physically and financially, the potentially disastrous consequence of a politically driven road-building binge.

President Barack Obama, state transportation officials, civil engineers, road builders and business groups all say that the country needs to invest trillions of dollars in its infrastructure, yet there's little consensus on how to finance it or what the most pressing needs are.

The Congressional Budget Office estimates that the country needs \$14 billion in additional federal funds each year just to maintain highways and \$50 billion more to improve them.

There's no single cause of the financial squeeze, and federal data reveal only part of it. Some states have raised their own gasoline taxes to pay for highway construction and maintenance and to depend less on federal funding. Others haven't changed their gas taxes in years and rely on federal money to make up for it.

But federal government analysts, taxpayer advocates and transportation experts have warned for at least a decade that many states were spending too much on building highways and too little on fixing them, and that their maintenance costs would skyrocket if they didn't change course. "We've engaged in a dangerous game of deferred maintenance," said Brian Taylor, a professor of urban planning and the director of the Institute of Transportation Studies at the University of California, Los Angeles.

Five years after an interstate highway bridge collapsed in Minnesota, killing 13 people and injuring 145, the country still has a bridge repair backlog of \$65 billion, according to the Federal Highway Administration.

At a time when Congress is proposing significant budget cuts and tax increases have little support, states are canceling or scaling back highway projects. They're looking for private partners to help finance construction, and still coming up short. Motorists are discovering that the roads they thought were free are anything but.

Over the past four months, McClatchy traced the extent and causes of yet another financial crisis that's developed below the radar of most Americans.

A review of government reports, an analysis of thousands of state and federal campaign donations, and interviews with dozens of current and former elected officials, watchdogs and transportation officials showed that there were a lot of hands on the wheel as the system veered off course.

For example:

- * The oldest parts of the interstate highway system have reached the end of their life cycle, including thousands of bridges dating to the 1960s, a potential threat to public safety and commerce demonstrated by the Minnesota bridge collapse.
- * The federal gasoline tax no longer covers the country's annual highway spending, but few leaders in Washington are willing to take on the political risk of increasing it, which forces states to borrow more money, raise tolls or ask their residents to approve new taxes.
- * Despite a ban on members of Congress "earmarking," or skimming money for pet projects back home, lawmakers and the special interests that bankroll their campaigns still exert outsized influence on where federal highway funding goes.
- * The Department of Transportation long ago ceded control over most highway decision-making to the states without well-defined national transportation goals, leaving a large portion of federal money up for grabs for those with the most clout.

Like the Roman Empire, "civilizations fall because they don't maintain their infrastructure," said David Burwell, the director of the climate and energy program at the Carnegie Endowment for International Peace in Washington.

"Everybody likes to build things, but nobody likes to maintain them," he said. "We paid for them once. Why should we pay for them again?"

FALLING APART

When Al Biehler became Pennsylvania's transportation secretary a decade ago, he found that the state had been spending more on expanding its highway system than it had on keeping it in good repair.

"If you don't put money into fixing things," Biehler said, "there will be more things to fix."

So he did the unthinkable: He put the brakes on some projects, risking the wrath of highway contractors and the state lawmakers who supported them.

"Projects that we knocked off the program, some of them weren't terrible projects," he said. "I just felt we couldn't afford them."

According to the National Center for Pavement Preservation, a research lab for road-building materials at the Michigan State University engineering school, every dollar spent to maintain a road in the first 15 years of its life saves \$6 to \$14 in maintenance costs after 20 years.

The Federal Highway Administration doesn't require states to put money into repairing roads before building new ones.

Pennsylvania was spending about as much of its federal funding on expansion as it was on maintenance in 2004, according to federal data reviewed by McClatchy. By 2011, the state was spending about four times as much on repairs, and it was still struggling to keep up.

The Pennsylvania State Transportation Advisory Committee reported in 2010 that the state needed an additional \$2.1 billion a year to properly maintain its highways and bridges.

"More than half of our bridges have reached their intended life-span date," said Barry LePatner, a New York construction lawyer who's cataloged nearly 8,000 of the nation's most troublesome spans. "Without maintenance money, cost of repair equals cost of replacement after a certain period of time."

Some budget watchdogs were encouraged that the most recent federal transportation bill, MAP-21, which Congress approved last summer, pushes states to develop performance standards for federal highway spending that result in the greatest improvement to roads and bridges.

But it's too soon to know whether the measures will have any impact, and the legislation expires at the end of next year. Meanwhile, states face tough choices. Emil Frankel, who was assistant secretary for transportation policy under President George W. Bush and is a former Connecticut transportation commissioner, said the country needed to establish priorities.

"Thirty years ago, 'like it' might have been good enough," said Frankel, who's now a visiting scholar at the Bipartisan Policy Center, a research center in Washington. " 'We'll do it because we like it.' We can't afford to do that anymore."

RUNNING ON EMPTY

It's been 20 years since Congress raised the gasoline tax. The 18.4-cents-a-gallon tax has lost a third of its buying power to inflation and rising construction costs.

The tax feeds the federal Highway Trust Fund, which long has paid for a portion of highway construction and repairs in all 50 states.

The fund used to carry a surplus, but lawmakers have bailed it out since 2008 by tapping the Treasury for \$50 billion.

"That can't continue indefinitely," said John Horsley, who retired in January as the executive director of the American Association of State Highway and Transportation Officials. "Congress is going to have to find a way to restore funding."

Simply increasing the gas tax may not be the best option. Americans have been driving less since 2007, partly because of the recession and higher gas prices and partly because of a generational shift away from car ownership. Rising fuel economy in cars and trucks also has contributed to the decline in gas tax revenues.

Horsley proposed replacing the per-gallon gasoline tax with a percentage-based sales tax. Sen. Barbara Boxer, D-Calif., the chairwoman of the Senate committee that drafts transportation legislation, said she'd consider the idea along with other alternatives, including a carbon tax and a tax based on the number of miles people drive.

Congressional gridlock has left the states to find other sources of revenue, with mixed success.

States have taken on more debt, and some have about as much as they can support. According to Federal Highway Administration data, all states carried a combined \$56 billion in road bond debt at the end of 1995, in current dollars. By 2010, they owed \$154 billion.

State and local governments have asked voters to approve sales-tax increases, and about two-thirds of such measures pass.

States also have turned to the private sector for infrastructure money, an arrangement that's common in countries around the globe.

Indiana and Illinois leased toll roads in exchange for money they used to bankroll highway projects. Virginia and California have sought private partners to build bridges and highways.

Most of the interstate highway system has been free of tolls for its 57-year history, but that might end as states face the challenge of rebuilding the aging roads. Missouri, North Carolina and Virginia are planning to add tolls to portions of major interstate highways to pay for repairs.

Other states, such as Florida and Texas, have been building their own toll roads for years.

But tolls are unpopular with the public. The trucking industry opposes them, and truckers will go miles out of their way to avoid them.

"Every time you have a free good, people don't want to pay for it," said John Fischer, a transportation consultant who worked on federal policy for three decades at the Congressional Research Service.

PAVED BY POLITICS

Highway supporters frequently characterize their foes as anti-road, anti-jobs or anti-progress. However, even the most ardent highway proponents agree privately on what they're reluctant to admit publicly: Some road projects are better than others.

In some state transportation plans, it's hard to tell the difference. And in the absence of clear national priorities, politics drives where the funding goes.

"Instead of making hard decisions, we're going to make sure everybody gets something," Fischer said.

For years, some states complained that they were "donors" who got back less than a dollar in federal highway funding for every dollar in gasoline taxes they contributed. Congress fixed that by baking in extra funding, so that nearly every state gets back at least a dollar, and some much more. The formula favors small states or those with low population densities and shortchanges more populous states, said Donna Cooper, a senior fellow at the liberal Center for American Progress in Washington.

"We just created a nightmare for ourselves by creating a system that sends money to places with the least need," she said.

According to the Government Accountability Office, Alaska gets back \$5 for every dollar it sends to Washington. Texas gets only a dollar.

"States that have been well represented on key congressional committees have tended to do very well compared to other states," said Jeffrey Brown, an associate professor of urban and regional planning at Florida State University.

For years, powerful members of Congress dressed up highway projects that wouldn't have been at the top of anyone else's list with names such as "High Priority Corridors" or "Projects of Regional and National Significance" to get hundreds of millions of dollars in federal money.

While some lawmakers railed against spending millions of federal dollars on bike paths, flower beds and train museums, others brought home vastly more money to cast their legacies in concrete, even if just to construct an interchange or a few miles of pavement.

"You can always come up with a rationale," Fischer said. "A lot of them are quite tenuous."

Highway projects generate work for engineering and construction firms, and the industry is a top political donor. Wealthy landowners, developers and business interests who benefit from new highways also write big checks to lawmakers who deliver fresh pavement.

"It's a free-for-all where the most well-organized and well-financed political interests are driving our transportation policy," Cooper said.

Most members of Congress defend their efforts to secure highway funds for what they regard as crucial projects in their states. Few oppose road projects, regardless of party. They get two photo opportunities: one to throw the first shovelful of dirt and the other to cut the ribbon.

"There's a huge difference between spending on things that benefit the national system and spending on things that benefit a local developer," Fischer said.

LOSING THE WAY

The Federal Highway Administration pays as much as 80 percent of the cost of states' major road projects but it has little say over how they spend the money.

Cathy St. Denis, a spokeswoman for the agency, said it determined whether projects were eligible for federal reimbursement, and oversaw and monitored them.

"Ultimately, state departments of transportation and local planning organizations make decisions about which projects to advance based on the needs and priorities of local communities and the state," she said.

It's difficult to know how efficiently the states are spending funds, because the agency releases little data that's useful for making state-by-state comparisons. The GAO and the U.S. Transportation Department's inspector general have repeatedly faulted the agency's data-collection methods.

Law requires the department to submit detailed annual reports to Congress on how the states invest federal highway funds. The reports categorize about one-quarter, or \$10 billion of the total spending by the states each year, as "other."

The obscure report has received little attention on Capitol Hill, and in spite of the law's additional requirement that the reports be made available to the public, the agency posted the eight most recent reports on its website only after McClatchy requested them.

The agency developed computer software more than a decade ago to help states determine which projects would generate the most return on investment by meeting goals such as reducing congestion and improving the mobility of people and goods. But most states don't use it, and those that do may simply ignore the recommendations.

When the GAO asked state transportation departments in 2010 what factors they considered in their transportation plans, only 11 states said economic analysis was "very important."

Taylor, the UCLA professor, said transportation decisions had to consider geographic needs as well as economic ones.

"It's difficult to come up with objective criteria," he said. "It's just a very complex terrain."

Half a century ago, America had a shared vision and policy around the Interstate Highway System, a massive national public-works project that drove economic growth for decades.

"Those days are gone," said Earl Swift, the author of "The Big Roads," a history of interstates. "We are a long way away from that unity of purpose we had in 1956."

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