

TRANSPORTATION

Much Is At Stake In Highway Bill

By Steve Bates

Motorists navigating the four-level interchange that mixes traffic from Interstate Highways 43, 94, and 794 in the heart of downtown Milwaukee are familiar with the rush-hour congestion and road work that can shut down driving lanes. But what they don't see could be even more disturbing.

The girders put in place more than 30 years ago to support the roadbeds have been crumbling, slowly but surely, to the point that the entire interchange must be rebuilt.

There's no room for temporary lanes or to expand the interchange, so the reconstruction must be done in stages to allow local and interstate traffic to continue to squeeze through this strategic nexus.

The interchange must be rebuilt soon or it will be deemed unsafe for heavy vehicles. "It's in terminal condition," says Tom Walker, executive director of the Wisconsin Road Builders Association.

"It's so crucial to the economic vitality of the state," says Les Fafard, director of the state transportation department's southeastern district. Yet almost no one can say where state officials will find the \$500 million or more needed to rebuild the interchange. The state's budget for building and maintaining roads throughout all of Wisconsin is about \$450 million a year, and "right now we don't have one dollar programmed" for the interchange, says Fafard.

The looming crisis isn't unique to Wisconsin. Critical road- and bridge-replacement projects exist in every state, and the price tags for some are overwhelming.

In Philadelphia, a major interchange on I-95 urgently needs replacement. In the Salt Lake City area, a 35-year-old stretch of I-15 is slated for extensive work. And on the southern edge of Washington, D.C., the Woodrow Wilson Bridge—a crucial segment of I-95—is in a near-desperate state of disrepair. These projects are forecast to cost \$1 billion to \$2 billion each.

The people most concerned about repairs—government officials, business leaders, and motorists—are pinning their hopes for substantial funding increases on reauthorization of the six-year federal

highway law that will expire Sept. 30.

Enacted in 1991, the Intermodal Surface Transportation Efficiency Act (ISTEA), nicknamed "Ice Tea," provided about \$26 billion a year through fiscal 1997 for transportation projects. But the



law shifted billions of those dollars to pollution-reduction programs, including mass transit, and to non-transportation uses such as renovation of historic buildings.

Many of the key features and implications of the legislation were not well-known among the public and state and local government officials until after it was signed into law. And much of the money authorized by ISTEA was left unspent; on average, Congress appropriated about \$20 billion for highway and bridge projects each year.

This year, key players in the political battle over funds—including environmentalists, state and local officials, highway construction lobbyists, and business leaders—know what is at stake for the next six years and perhaps beyond. It is a clear opportunity to set national transportation priorities, to repair aging infrastructure, and to put Americans to work.

But it is far from clear what will

As critical needs mount, communities hope that Congress will boost transportation funding for the next six years.

emerge when the legislative wrangling is completed.

A Huge, Unmet Need

Twenty billion dollars sounds like a lot of money—and it is, say even some of those who are seeking more funding. But the needs are far greater, according to the Federal Highway Administration (FHWA).

Agency officials recently estimated that total spending on transportation infrastructure, including federal, state, and local

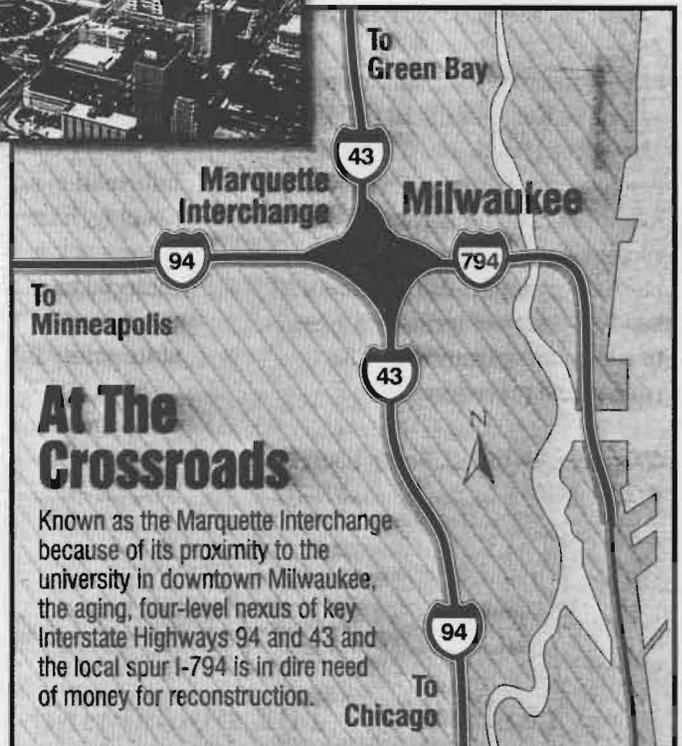


ILLUSTRATION: GEORGIA LEIGH MCDONALD

funds, totals almost \$35 billion a year.

However, the country needs about \$55 billion a year just to maintain roads and bridges in their present condition, and it needs about \$74 billion annually for many years to improve them to satisfactory condition, the agency says.

About one-third of the nation's bridges are deficient or structurally obsolete, and about 60 percent of major highways are in fair, mediocre, or poor condition, according to the FHWA.

President Clinton's proposed successor to ISTEA—the National Economic Crossroads Transportation Efficiency Act, or NEX-TEA—would keep annual spending at about \$20 billion. In unveiling the measure in March, Clinton said, "This bill will literally be our bridge to the 21st century."

Some organizations, including the Washington-based American Highway Users Alliance, say the measure doesn't go far enough and have proposed spending as much as \$32 billion a year to catch up with needs. Clinton's proposal could lead one to believe that "the federal government has lost sight of its priorities," says Bill Fay, president of the alliance.

The debate represents far more than just a Washington-insider issue for Milwaukee-area officials, residents, and business leaders struggling with the fate of their downtown interchange. The crossroads provides crucial commercial links with cities such as Chicago and Minneapolis, and it handles a huge amount of local traffic—more than 250,000 total vehicles on a typical day.

"We have a concern about our employees, finding alternate routes, changing their commuting" because of the threat to the interchange and a deteriorating stretch of I-94 immediately to the west, says Shannon O'Brien, employment manager of Quarles & Brady, a Milwaukee-based law firm. "It's going to affect the businesses downtown."

Tom Luljak, a spokesman for Blue Cross and Blue Shield in Milwaukee, which has about 1,300 employees in the region, cites "a domino effect" that could occur if the interchange is not improved. "If one group of businesses falters because the infrastructure is not sufficiently reinforced, everyone is a loser."

Whatever legislation succeeds ISTEA, its impact on businesses nationwide will be enormous as well. For each \$1 billion spent on transportation construction projects, more than 42,000 jobs are created, says the Highway Users Alliance.

Some studies indicate that such spending benefits many businesses. "Virtually

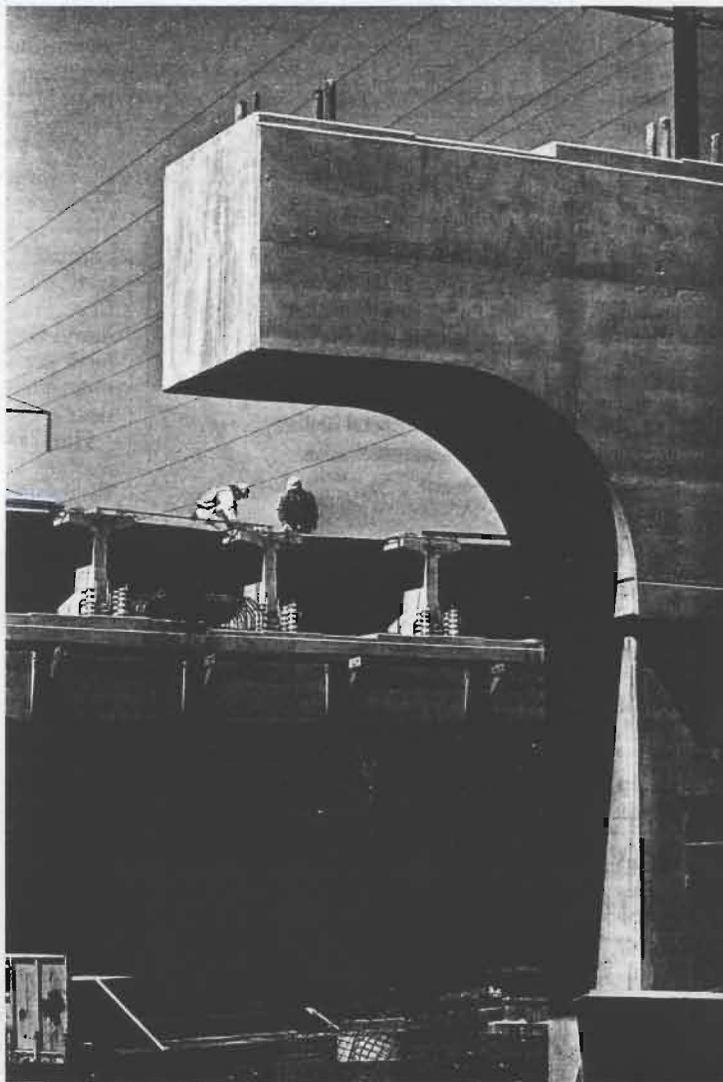


PHOTO: TOM SOBOLIK—BLACK STAR

Workers build a highway overpass near Newark International Airport in New Jersey. Many similar projects could go unfunded if Congress does not boost federal transportation spending this year.

every industry gains when government invests in infrastructure," says Richard Mudge, an economist with Apogee Research in Bethesda, Md. "The economic value of infrastructure—transportation in general—has been taken for granted for too long."

Budget-Balancing Pressures

At least three speed bumps are in the way of passage of the next six-year highway bill. One is the tug-of-war between those who favor spending as much as possible on repairing and widening roads and bridges and those who favor continued diversions of billions of dollars per year to other uses, including pollution-control projects.

The second obstacle is that some state governments get back less federal high-

way money than the states' motorists pay each year through fuel taxes, while other states get back far more than they pay in.

The competing pressures to spend more on transportation construction and balance the federal budget at the same time constitute the third hurdle.

Six years ago, environmentalists and their supporters in Congress scored a coup by getting mandates included in ISTEA that linked highway spending to clean-air projects financed with fuel-tax dollars.

This year, some lobbyists on the other side of the transportation-funding debate oppose spending Highway Trust Fund money on these projects, which include computerizing traffic signals and building bicycle trails. But environmentalists cite the cause-and-effect connection between motor vehicles and urban pollution as a basis for preserving, if not expanding, their share of federal transportation money for the coming six years.

In a Senate subcommittee hearing on the matter in March, acting FHWA Administrator Jane Garvey tried to set the tone for the rewriting of ISTEA when she urged legislators: "Tune it; don't toss it."

The arcane formula for disbursing federal transportation money to the states was established decades ago, and efforts to amend it in Congress always cause sparks to fly.

In January, Senate Majority Leader Trent Lott, R-Miss., told a breakfast gathering of business people at the U.S. Chamber of Commerce in Washington that he won't be able to face his constituents if his state continues to be shortchanged. He said of the pending battle: "It won't be partisan. It won't be regional or parochial. But it will be bloody."

U.S. Transportation Secretary Rod Slater told a House subcommittee this spring that the fight over the disbursement formula shouldn't overshadow important policy decisions, but he added: "We are trying to grow the pie."

In 1993, Congress approved and

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Clinton signed a measure increasing the federal tax on each gallon of gas to 18.3 cents from 14 cents. Revenue from the 4.3-cent increase goes to the general fund to reduce the annual federal deficit—at least on paper.

Revenues from the remaining 14 cents on each gallon, from 18 cents per gallon of the tax on diesel fuel, and from other highway-user fees go to the highway and mass-transit spending accounts of the Highway Trust Fund. On a typical day, Americans pump about \$70 million into the fund. However, Congress has left some of this money unspent.

Some congressional leaders of both political parties have called for continuing that policy as part of the goal of balancing the budget in five years. During that time, the unspent balance in the Highway Trust Fund could climb from about \$24 billion to approximately \$40 billion, according to congressional staffers.

Options For Increases

Most proposals to boost highway spending call for using substantially more of the trust-fund money, ending the diversion of fuel taxes for deficit reduction, or doing both. Either change could free up roughly 20 percent more money for roads and bridges each year.

"Congress must keep its commitment to the American people to use their transportation taxes to fix transportation problems. There is plenty of money to do the work," said Michael S. Starnes, chairman of the U.S. Chamber, at a recent Capitol Hill news conference. The Chamber, which favors using all trust-fund money for transportation improvements, joined a wide array of other organizations to form the Coalition for TRUST: Transportation Revenues Used Solely for Transportation.

T. Peter Ruane, president of the Washington-based American Road & Transportation Builders Association, a member of TRUST, agrees with Starnes. "Let us spend what we have [in fuel taxes]. That's all we're asking," Ruane adds that even a modest spending increase could improve dangerous roads and bridges and save thousands of lives a year—without raising taxes.

Ed Nyland, president of George Harms Construction Co., a highway contractor in Farmingdale, N.J., concurs: "I get offended when I go to the gas pump and it's not going to the purpose it was approved for."

Rep. Bud Shuster, R-Pa., chairman of the House Transportation and Infrastructure Committee, had more than enough co-sponsors this spring to win House passage of a bill that would remove the Highway Trust Fund from

Our Crumbling Infrastructure

More than 253,000 miles of roads that are eligible for federal funding assistance—or 28 percent of eligible roads—are in mediocre or poor condition, according to the Federal Highway Administration.

Condition Of America's Highways



More than 186,000 bridges longer than 20 feet that are eligible for federal funding assistance—or 32 percent of eligible bridges—are deficient, the agency says.

Condition Of America's Bridges



the federal budget for accounting purposes and that potentially would allow much higher spending levels. It was not clear if the Senate would take up the measure.

Some critics of highway spending say that many proposed road and bridge projects aren't needed. "Trying to solve congestion by widening highways is no more effective than trying to curb obesity by tightening our belts," says Michael Replogle, an official with the Washington-based Environmental Defense Fund. "We have got to move beyond the pork-barrel mentality about transportation priorities."

Hank Dittmar, executive director of the Surface Transportation Policy Project, a Washington-based coalition of environmental groups, says the United States has "made considerable progress through the Clean Air Act in decreasing the amount of pollution automobiles emit per mile." But he adds, "The continuing growth in driving is threatening to wipe out these gains."

A host of other issues in the administration's NEXTEA proposal have taken a back seat during the debate. Clinton has proposed more emphasis on road-safety programs, including a crackdown on aggressive drivers; money to help welfare recipients get to job sites; and more power and flexibility for local governments to spend federal dollars.

Flexibility is a big issue in some communities. "These regulations [under ISTEA] put a great burden on cities," says J. Kent Rogers, executive director of the regional Council of Governments for several communities in the Shreveport, La., area. He says that building a bike path with ISTEA money required dealing with almost as much red tape as it would have taken to construct a freeway.

"Doing a mile-and-a-half sidewalk took almost four years"—most of it because of the slow pace of approvals from the federal government, laments Rogers.

Ultimately, Congress will have to decide how much importance it places on fixing deteriorating roads and bridges such as the decrepit Milwaukee interchange. Bill Peterson, vice president of the Washington-based Construction Industry Manufacturers Association, says business "must lead the way" in persuading lawmakers to boost transportation spending. "These are the people who understand investment."

If Congress keeps transportation spending at about \$20 billion a year, "it will cause probably a much more expensive fix later on," says Peterson. "That would be a very bad decision for all our interests."