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## **President's Budget Proposal Aims to Give U.S. Roads Much Needed Aid**

The President's fiscal year (FY) 2013 budget request seeks an additional \$50 billion for the Department of Transportation (DOT) to fund investment in critical areas of transportation.

Josh Parker, staff engineer at Michigan based Soil and Material Engineers, sees the need for changes in road repair practices every day in both his professional and personal life. "On my road they've done nothing but patch potholes and it just gets worse and worse and worse," said Parker. "The road is in bad shape, but they're always repairing it because they don't have the money to fix it the way it should be. If a county or state doesn't have the money to repair a road they put it off, which is worse because they cost much more to fix later."

The proposed one-time \$50 billion boost to the federal transportation budget reflects the dire state of the current U.S. transportation infrastructure. The Federal Highway Administration (FHA) has rated 45% of U.S. roads as "not in good condition". They also rated 71,000 bridges as structurally deficient and 78,000 as functionally obsolete.

A common reason for road deterioration is the weight put upon roads by vehicles. "A lot of roads end up being under-designed for their traffic," said Parker. "You get this problem on a lot of local residential streets: they are designed for cars, but almost every residential street has a garbage and recycling truck coming once a week. Since they start and stop a lot these vehicles are even worse for the pavement."

Weather conditions also play a large role in both wearing down roads and determining when roads can be best repaired. Of all weather factors rain plays the biggest role in road construction. Clay soils are common in Michigan, but become soft when wet. Many other construction tasks, such as the mixing of concrete, are made more expensive and time-consuming by rain. Summer is the best season for road work due to the Sun drying out clay soil and the relative scarcity of rain.

"The freeze-thaw cycle decays the road, and Michigan's widely varying weather leads to increased road degradation," explained Parker. "The problem here is that soils get wet and expand, and then they thaw and contract. A typical Michigan winter has many freeze-thaw cycles."

In 2009 the American Society of Civil Engineers graded the state of all U.S. infrastructure as a "D" on their report card evaluation: aviation received a "D", bridges a "C", railroads a "C-", transit a "D", and roads a "D-". In Michigan all of the infrastructure supporting these various methods of transportation are monitored and improved upon by the Michigan Department of Transportation (MDOT).

According to the budget proposal on the federal DOT.gov website the one-time \$50 billion would be supplemented by \$476 billion to be spent over six years. This investment seeks to improve U.S. highway, transit, and rail infrastructure and ensure their safety. It would be funded through a combination of excise tax revenues and expected reductions in overseas military expenses.

The proposed six-year transportation budget breaks from tradition by steadily increasing at a rate of at least \$6 billion each year overall. "Over the past few years they've been doing ongoing budgets federally, so the budget has been flat for many years," said MDOT budget and reports unit supervisor Dave Wearsch. "The more money we can get from the federal level the better our roads and bridges are going to be."

The last significant increase in federal transportation spending occurred as part of the American Recovery and Reinvestment Act of 2009 (ARRA) which allocated \$48 billion to transportation. "\$847 million came to Michigan as part of ARRA," said Wearsch. "There's still several of those projects ongoing, but that was a good shot in the arm. President Obama hasn't been able to get any other type of infrastructure package passed since then. The ARRA funding did not require a state match, but annual federal appropriations do"

"How much a state has to contribute to a federally funded project varies based on regulations," said Wearsch. "For example, generally speaking a federal highway will be funded with 20% state money and 80% federal money. Over the past couple years we've had to be very creative and austere and reduce our administration costs to meet our budget and do a federal match. If federal funding increased we would find a way to match it. Governor Snyder has been very clear that we won't leave federal money on the table."

Transportation is essential to modern industry, a fitting example of which is the automobile industry. Parts for any American-made car are transported to a car factory from a wide variety of suppliers across multiple countries. Imported parts arrive via planes and freighters, which are supported by the Federal Aviation Administration and Maritime Administration respectively. Both imported and domestic parts are shipped via road and rail to a car factory. That factory then transports the finished cars to their retail destination, car dealerships, to be sold.

Poor road conditions can have further far reaching economic impacts. Research indicates motorists must spend an estimated \$335 each per year due to repairs and operating costs from poor road conditions. Hitting closer to home, Michigan's Chamber of Commerce reported in 2010 that 12,000 jobs would be lost without additional transportation funding. If transportation investment were doubled then more than 15,000 jobs were predicted to be created.

State and federal gas taxes are the major source of transportation funding. "You have an economy bordering on recession, so the amount of driving is down," said Dave Wearsch. "Less cars using less fuel means less revenue coming in to the feds. Without the revenue, how do you pay for these programs? They haven't been able to address this issue. Congress hasn't been able to fix the revenue situation to make sure that we are adequately funded, and the same thing is happening at the state level. They're nervous about passing tax increases. They're squeezing MDOT as hard as they can to make sure we're as efficient as possible"

"The most difficult thing that we've had to do is to get across the message that we need a fix for the revenue situation: we can't let this continue," said Wearsch. "When you don't have enough money to maintain the roads we have to do asset management: the right fix at the right time in order to maximize how long a road or bridge lasts. As the condition of the road decreases it becomes more expensive to bring it up to good condition."

"Under this administration Governor Snyder is very supportive and he's offered up some good ideas,

but the legislature is just kind of looking at him," Wearsch continued. "There's bills in committee, but nothing meaningful as a revenue flow has passed yet. Trying to sell the revenue issue has been very difficult. There's been studies ad nauseum about how important this is but it just hasn't gotten anywhere with the legislature. This current administration does acknowledge (the revenue issue) and is supporting it and trying to move forward, but it takes more than just the governor's office to make these things happen."

"As the price of gas goes up people buy more fuel efficient cars which need less gas, and that leads to less money to fund road construction." said Josh Parker. "I often think that toll roads make more sense, as funding can be tied to the roads that have to deal with increased road traffic. Cross-country truckers gas up in Indiana and then truck through Michigan without filling up. The state isn't getting any money from them, but they're still putting wear and tear on Michigan roads."

On April 17 the U.S. Senate Appropriations Committee approved a 1.7% increase in the FY 2013 federal transportation budget over the FY 2012 budget according to a story on Transportation Issues Daily. This falls short of the 2.3% increase in the President's proposed FY 2013 budget. While this is the first step towards approving a transportation budget, a final confirmation of any FY 2013 spending bills is unlikely until after the November elections. The fate of the President's significantly more ambitious \$50 billion immediate transportation investment and \$476 six-year plans has not yet been determined. As Dave Wearsch stated, "It takes a team to make this stuff work; one person can't do it."