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### 1NC States CP

#### The Fifty United States should \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

### Solves – General

#### States will be able to manage their own systems better because resources stay internally eliminating inefficiencies

Daniel Horowitz, deputy political director of the Madison Project, contributing editor at Red State 2-2-2012, “Defeat The Highway Bill,” http://www.redstate.com/dhorowitz3/2012/02/02/defeat-the-highway-bill/

One need not be a staunch conservative to appreciate how inane it is to collect gasoline taxes from all 50 states into one pool, only to be doled out randomly for every state’s personal transportation project. Ever since the Interstate Highway System was completed almost 20 years ago, there has been no rational purpose for the current top-down federal control over transportation. Successive congresses have diverted as much as 38% of the gas tax revenue to mass transit projects and wasteful endeavors for specific states. The net result is that some states are donors (contribute more), while other states are recipients (receive more in funding than they contribute). We need to abolish the federal gas tax, and devolve all responsibility and taxes for transportation projects to the states. The two bills percolating through Congress will double down on failed policies, add to the debt, perpetuate inefficiencies in highway construction, continue to encumber traffic, and preclude any devolution of responsibility to the states.

#### Locality is key

Daniel Horowitz, deputy political director of the Madison Project, contributing editor at Red State 2-2-2012, “Defeat The Highway Bill,” http://www.redstate.com/dhorowitz3/2012/02/02/defeat-the-highway-bill/

Moreover, the fact that Washington gridlock is able to encumber the majority of transportation projects for 50 states just serves to underscore the reason why we should devolve transportation spending to the states. Since the completion of the Interstate Highway System in 1992, there is simply no reason why states shouldn’t levy their own taxes and manage their own highway projects, leaving the few projects with national scope to the federal government. If a state wants to fund public transportation, then let them have the debate about higher gasoline taxes on a local level. At present, there are 28 donor states – states that contribute more money than they receive in transportation funding. This is utter nonsense. Instead of proposing yet another “pale-pastel” alternative to the Senate highway bill, let’s opt for a bold contrast and rally behind Tom Grave’s Transportation Empowerment Act (H.R. 3264). This bill would gradually transition gas tax revenue to the states over a period of four years. By 2017, every state would keep 14.7 cents of the current federal gasoline tax, leaving 3.7 cents in the hands of the DOT for the purpose of national projects. That way, each state can have a fair debate about their transportation needs and fund their priorities accordingly. If states conclude that they need more money for infrastructure, as the special interest groups have suggested, then it will become obvious to the local residents that the individual state needs to raise their gas tax or prioritize their spending in a different way. With 50 states that are diverse in geography and population, Tom Grave’s devolution bill represents true federalism at work. If we can’t coalesce behind federalism in transportation issues, then what will we ever devolve to the states? Liberals want to maintain federal control over transportation spending to they can implement their social engineering, urban planning and environmental regulations. It’s time for Republicans to block highway spending from being used as the conduit for the statist agenda.

### Solves – General

#### States cooperative framework solves

Jeff Richard Brown, PhD in Urban Planning from UCLA, 2003, “The Numbers Game: The Politics of the Federal Surface Transportation Program,” http://uctc.net/research/diss109.pdf

But what if a 95 percent guaranteed return was enacted? Would this be the end of donor state complaints, or would calls for a 100 percent return be far behind? As the guaranteed return creeps closer to 100 percent, the very rationale for a federal program comes into question. We might as well abolish the federal program entirely, as a few advocates for devolution have been demanding (Poole 1996). If all the federal government does is collect money and then return it where it is collected what purpose does a federal transportation program serve? Perhaps it guarantees certain standards of system design, but these could also be handled cooperatively through organizations such as AASHTO. Or, perhaps it guarantees certain minimum standards of personal behavior (blood alcohol levels, minimum drinking ages, speed limits, seat belt laws, etc), but these are not quite the purposes it was originally intended to serve.

#### States management is better than the feds

Daniel Horowitz, deputy political director of the Madison Project, contributing editor at Red State 2-2-2012, “Defeat The Highway Bill,” http://www.redstate.com/dhorowitz3/2012/02/02/defeat-the-highway-bill/

Throughout the presidential campaign, many of the candidates have expressed broad views of state’s rights, while decrying the expansion of the federal government. In doing so, some of the candidates have expressed the conviction that states have the right to implement tyranny or pick winners and losers, as long as the federal government stays out of it. Romneycare and state subsidies for green energy are good examples. The reality is that states don’t have rights; they certainly don’t have the power to impose tyranny on citizens by forcing them to buy health insurance or regulating the water in their toilet bowels – to name a few. They do, however, reserve powers under our federalist system of governance to implement legitimate functions of government. A quintessential example of such a legitimate power is control over transportation and infrastructure spending. The Highway Trust Fund was established in 1956 to fund the Interstate Highway System (IHS). The fund, which is administered by the DOT’s Federal Highway Administration, has been purveyed by the federal gasoline tax, which now stands at 18.4 cents per gallon (24.4 for diesel fuel). Beginning in 1983, Congress began siphoning off some of the gas tax revenue for the great liberal sacred cow; the urban mass transit system. Today, mass transit receives $10.2 billion in annual appropriations, accounting for a whopping 20% of transportation spending. Additionally, the DOT mandates that states use as much as 10% of their funding for all sorts of local pork projects, such as bike paths and roadside flowers. As a result of the inefficiencies and wasteful mandates of our top-down approach to transportation spending, trust fund outlays have exceeded its revenue source by an average of $12 billion per year, even though the IHS – the catalyst for the gasoline tax – has been completed for 20 years. In 2008, the phantom trust fund was bailed out with $35 billion in general revenue, and has been running a deficit for the past few years. Congress has not passed a 6-year reauthorization bill since 2005, relying on a slew of short-term extensions, the last of which is scheduled to expire on March 31. Short-term funding is no way to plan for long-term infrastructure projects. In their alacrity to gobble up the short-term money before it runs out, state and local governments tend to use the funds on small time and indivisible projects, such as incessant road repaving, instead of better planned long-term projects. It’s time for a long-term solution, one which will inject much-needed federalism and free-market solutions into our inefficient and expensive transportation policy. It is time to abolish the Highway Trust Fund and its accompanying federal gasoline tax. Twenty years after the completion of the IHS, we must devolve all transportation authority to the states, with the exception of projects that are national in scope. Each state should be responsible for its own projects, including maintenance for its share of the IHS. Free of the burden of shouldering special interest pork projects of other states, each state would levy its own state gas tax to purvey its own transportation needs. If a state wants a robust mass transit system or pervasive bike lanes, let the residents of that state decide whether they want to pay for it. That is true federalism in action. The most prudent legislation that would transition responsibility for transportation spending back to the states is Rep. Scott Garrett’s STATE Act (HR 1737). Under this legislation, all states would have the option to opt out of the federal transportation system and keep 16.4 cents of their federal gasoline tax contribution. States would have the ability to use that money to raise their state gasoline tax and direct those funds more efficiently for their own needs. States would be free to use the funds for vital needs, instead of incessant repaving projects that are engendered by short-term federal stimulus grants, and which cause unnecessary traffic juggernauts. States could then experiment with new innovations and free-market solutions that open up infrastructure projects to the private sector. The Tenth Amendment is not just a flag-waving principle; it works in the real world. It takes a lot of impudence on the part of the President to blame Republicans for crumbling infrastructure. It is his support for a failed central government system that is stifling the requisite innovations that are needed to deal with state and local problems.

### Solves – General

#### The states are the key drivers of transport infrastructure

Christopher Koch, President & CEO of the World Shipping Council (Remarks at the 6th Annual Trans-Pacific Maritime Conference, “Government Policy and Action Regarding Improvement of the Nation’s Intermodal Transportation Infrastructure,” World Shipping Council, 3-6-2006, http://www.worldshipping.org/pdf/transpacific\_maritime\_conference\_paper\_march\_2006.pdf

The first point I would make is that there is not now, nor will there ever be, a national program to address all the shortcomings of our nation’s transportation infrastructure. And we should not expect one. There are good and valid reasons for this. First, each sector of the transportation infrastructure and its related industries has different needs and characteristics, affecting how improvement strategies are developed and implemented. Second, the federal government in Washington, D.C. does not have the money, the interest, the expertise, or the capacity to provide all the solutions. At best, it will be a constructive partner that provides assistance in some areas, particularly on improvements of national significance. Third, some transportation infrastructure is public and requires public solutions, but some is privately owned and operated, and it requires different solutions. Fourth, state and local governments are the essential drivers of much of the needed capital, the prioritization, and the permission to improve the transportation infrastructure. And finally, finding adequate capital to build or improve transportation infrastructure is increasingly only part of the issue. Getting permission from the appropriate authorities to build the improvements is just as much a part of our challenge, and in some cases, the greater part.

#### Responsibility should be left with the owners of infrastructure – not the federal government

Christopher Koch, President & CEO of the World Shipping Council (Remarks at the 6th Annual Trans-Pacific Maritime Conference, “Government Policy and Action Regarding Improvement of the Nation’s Intermodal Transportation Infrastructure,” World Shipping Council, 3-6-2006, http://www.worldshipping.org/pdf/transpacific\_maritime\_conference\_paper\_march\_2006.pdf

In order to move from this broad policy framework to action, it is important to understand the roles and responsibilities of the entities involved, so that one can know who the decision-makers are going to be.

As a general rule, the owner of that part of the transportation system that needs enhancement needs to be the owner of the actions needed to improve that part of the system. In other words, the owner of the problem must also be the owner of the solution. There are times when multiple parties will have to participate in the solution, but it must be the responsibility of the component owner to develop the solution plan and outline how other help is needed and from whom. While this point seems logical and fundamental, it sometimes gets lost in the discussions of addressing the overall system problems and also in determining what role the federal government may have in delivering solutions.

### Solves – General

#### States can lead on transportation infrastructure

Christopher Koch, President & CEO of the World Shipping Council (Remarks at the 6th Annual Trans-Pacific Maritime Conference, “Government Policy and Action Regarding Improvement of the Nation’s Intermodal Transportation Infrastructure,” World Shipping Council, 3-6-2006, http://www.worldshipping.org/pdf/transpacific\_maritime\_conference\_paper\_march\_2006.pdf

Federal transportation funding programs and mechanisms have been clearly established and range from harbor dredging, to inland waterways, to highways. While good projects and effective Congressional delegations will surely succeed in getting additional funding for particular projects in the future, one should not count on the federal government providing substantially greater capital spending over the next five years than is currently authorized under existing transportation infrastructure programs. It is also important to understand that the biggest federal program affecting public transportation infrastructure-- the highway spending program -- is basically a formulabased conduit of money to the infrastructure owners – the states, who are the principal decision makers regarding how the money will be spent. The federal dollars from the National Highway Fund are disbursed to individual states for their use in planning, managing and improving the transportation systems within each state. Not only are the states the principal decision makers and the true “owners” of the public transportation infrastructure, the states are increasing their spending above and beyond what the federal government is allocating to them. This is due in large part to recognition by the states that federal funding falls far short of the money needed to adequately improve the transportation system in their state. From 1983 to 2003, federal highway funding doubled but state funding increased 164%, resulting in states contributing most (55%) of the money spent on highways in 2003 and that pattern continues. 5 In December, the Census Bureau reported that in the first nine months of 2005, state governments’ spending on roads was up 12% and was expected to reach a record $66.3 billion in 2005. State voters and legislatures around the country are approving large additional transportation bond measures, from New York to Ohio to Texas. The Virginia legislature, for example, is presently working on a $4 billion transportation funding plan over the next four years. No better example of state leadership can be found than here in California with Governor Schwarzenegger’s “Strategic Growth Plan” and its proposed $107 billion for transportation. $18.9 billion for expanding trade corridors, and $2 billion for the state's ports. His ambitious goal is to reduce congestion in the state's transportation system by 20 percent in the next decade while increasing its capacity or “throughput” by 15 percent with the increased use of dedicated truck lanes, high occupancy toll lanes and by building some new capacity. A little less than half of the proposed funding plan calls for use of existing transportation funding sources. The plan also proposes expanded authority to fund and deliver projects through a variety of publicprivate partnerships.

#### Infrastructure improvements should come from the state level

Christopher Koch, President & CEO of the World Shipping Council (Remarks at the 6th Annual Trans-Pacific Maritime Conference, “Government Policy and Action Regarding Improvement of the Nation’s Intermodal Transportation Infrastructure,” World Shipping Council, 3-6-2006, http://www.worldshipping.org/pdf/transpacific\_maritime\_conference\_paper\_march\_2006.pdf

The federal government has basically shown what role it will play. There are existing, significant programs that may be available for providing a share of the necessary resources. But Washington doesn’t own the infrastructure and will not be the leader of developing or implementing the solutions. Nor would it be realistic to expect dramatic new spending initiatives out of Washington to address these issues. The solutions lie with the industry – including freight owners – working with the proper levels of local government to seek a consensus on the priority projects and the funding shares and mechanisms to make the specific projects work. When that happens, the transportation infrastructure will be improved.

### Solves – General

#### States can manage all transportation infrastructure alone

Robert Poole, President of the Reason Foundation, 1996, “DEFEDERALIZING TRANSPORTATION FUNDING,” http://reason.org/files/4883e8bd01480c4d96ce788feb1f2e05.pdf

Airports, highways, and mass transit systems are primarily state and local responsibilities. They are developed and operated by state and local governments (with increasing private-sector involvement) and funded primarily from state and local sources. Yet the federal government, by collecting transportation user taxes and using them to make grants for these systems, both raises the costs and exerts significant control over these state and local activities. Congress should devolve transportation infrastructure funding and responsibilities to cities and states, ending federal grant programs and their accompanying restrictions. Cities and states have been open to privatization, and most would welcome the flexibility and freedom from costly federal regulations which devolution would give them. Devolving transportation funding would lead to more-productive investment, greater intermodalism, more innovation, and new capital from the private sector. Conventional wisdom suggests that 21 states are net donors to the federal highway program and the rest are net recipients. But this paper's analysis, taking into account the real costs of federal funding and regulations, concludes that 33 states get back less than they contribute in highway taxes and would be better off if the funds were left in their states to begin with. By adding such major states as Illinois, New Jersey, New York, Pennsylvania, and Virginia to the donor-state category, this assessment could change the political dynamics in favor of devolution. Abundant evidence now exists that federal transit programs have stimulated investment in unviable rail systems and have needlessly boosted transit system operating costs. The flexibility created by repeal of federal transit regulations would permit changes (such as competitive contracting of transit operations) that could save enough to offset much of the loss of federal operating subsidies. It would be up to cities and states to decide whether to continue to invest in non-cost-effective rail transit. The only truly federal role in aviation is ensuring safety and facilitating the modernization of the air traffic control system. The latter can best be accomplished by divesting ATC to a user-funded corporation, as 16 other countries have done. Airports should be defederalized; all sizes of commercial airports could make up for the loss of federal grants with modest per-passenger charges. States could decide whether to subsidize unviable general aviation airports. Overall, the federal government would retain certain coordination and safety-regulation functions in transportation. But it would henceforth leave investment and management decisions to state, city, and private decision-makers.

### Solves – Highways

#### Federal action isn’t key – states are sufficient

Sean Kilcarr, senior editor of Fleet Owner trucking and shipping magazine, BA, 5-16-2012, “Marking the “devolution” of highway funding,” http://fleetowner.com/regulations/marking-devolution-highway-funding

As Congress continues to debate a variety of surface transportation funding bills – most notably the two-year Senate sponsored Moving Ahead for Progress in the 21st Century Act (MAP-21) – several groups believe such federal-directed efforts are almost becoming moot as highway funding issues are increasingly “devolving” to the states. At a briefing on Capitol Hill this week, a panel of experts led by Marc Scriber, land-use and transportation policy analyst with the Competitive Enterprise Institute (CEI), argued that near-default status of the Highway Trust Fund (HTF) due to inadequate fuel tax revenues and policy gridlock at the federal level is increasingly pushing states and localities to figure out ways to generate the funds required to build and maintain U.S. bridges and roads. “We’ve argued in the past that responsibility for generating highway funds should ‘devolve’ to the states, but now that’s a largely ‘defacto reality’ as declining HTF revenues are forcing the states to look for new ways to generate the monies they need,” Scriber told Fleet Owner. Scriber said the members of the policy panel – Adrian Moore, Ph.D.,vp-policy with the Reason Foundation; Gabriel Roth, research fellow at the Independent Institute; and Randall O’Toole, senior fellow with the Cato Institute – largely agreed that the federal government should remove itself from the highway funding process and let states take over. “It’s inherently more efficient for the states to handle this rather than add in the extra step of the federal government collecting and then redistributing fuel taxes,” Scriber pointed out. “Also note that Congress has not increased federal fuel excise tax rates since 1993. Since then, inflation has eroded the buying power of those tax dollars by more than one-third. This has pushed the HTF to the brink of insolvency, yet none of the proposals pending before Congress address this imminent threat to our nation’s surface transportation infrastructure.”

#### States innovate better without federal involvement

Robert Poole, President of the Reason Foundation, 1996, “DEFEDERALIZING TRANSPORTATION FUNDING,” http://reason.org/files/4883e8bd01480c4d96ce788feb1f2e05.pdf

This analysis suggests that it may be politically feasible to devolve surface transportation funding and responsibility to the state level, reducing the Federal Highway Administration to a small cadre that would maintain uniform standards for Interstate system planning and design. States and metro areas, working with the private sector as they chose, would assume all responsibilities for funding, construction, and operation of highways. The federal gasoline tax would be abolished and states would be free to increase their own gasoline taxes (or other funding sources) to raise the funds necessary to maintain their system at the desired level. The remaining federal ban on tolling Interstate highways would be repealed as part of the change-over. The benefits of such a change could be very large. Among them would be the following: ! More Productive Investment. As noted above, that portion of our highway system constructed with federal aid costs at least 21.5 percent more than highways constructed without that aid. Thus, the same total dollars invested by states and the private sector could produce more needed infrastructure; alternatively, some states might keep net investment levels the same as at present, freeing the remaining resources for other societal needs. ! Intermodalism. In conjunction with defederalization of airports (discussed below), the devolution of surface transportation responsibilities from DOT to the states and cities would get rid of the rigid modal categories of funding, in which transit funds can only be used for transit, highway funds only for highways, and airport funds only for airports. The present system has made it extremely difficult to fund truly intermodal infrastructure, such as surface transportation access to airports. Decentralizing the funding to where the needs are would facilitate the development of needed intermodal facilities. ! Freedom for Innovation. Overly prescriptive federal regulations and standards have stymied innovation in transportation infrastructure. For example, two decades of federal speed-limit mandates precluded potentially large economic gains from the time savings involved in high-speed heavy-truck-oriented tollways, such as the proposed Chicago-Kansas City Tollway and Colorado's Front Range Toll Road. ! Private Investment. The private sector has stepped up to the plate in the 12 states where the law has been amended in recent years to encourage private investment in surface transportation. Yet because of the higher costs involved, private firms have shied away from public-private partnerships involving federal highway funds. Devolving these responsibilities to the states is more likely to encourage greater private-sector investment than is further attempts to fine-tune the federal public-private partnership provisions.

### Solves – Highways

#### Federal action messes up the transit system

Robert Poole, President of the Reason Foundation, 1996, “DEFEDERALIZING TRANSPORTATION FUNDING,” http://reason.org/files/4883e8bd01480c4d96ce788feb1f2e05.pdf

As for operating subsidies, CBO found that more than 75 percent of U.S. transit ridership is on systems that rely on federal operating subsidies for only 8 percent or less of their revenue. Modest productivity gains could easily compensate for the loss of federal subsidies in those large-city cases. On the other hand, the smallest 200 cities receiving federal transit aid (all but three with populations under one million) carry only 7 percent of transit ridership but account for 27 percent of federal operating subsidies. CBO notes that while cities in this group would have the most to lose from a withdrawal of federal aid, they would potentially have much to gain also: their transit services are now among the least efficient, and pressure to reduce costs could only improve them. Cities could cut costs dramatically via competitive contracting of transit services. Wendell Cox has reviewed the worldwide experience with competitive contracting of transit service (in which firms bid for the right to operate specific groups of routes on the basis of the least amount of subsidy needed). He finds significant reductions in cost per vehicle mile, ranging from 19 percent in Copenhagen to 25 percent in Australian cities (Adelaide, Brisbane, Perth), 33 percent in San Diego, and 42 percent in London. He notes that competitive contracting has begun expanding from bus to rail, with subway service now outsourced in Stockholm and rail system contracting now planned in Adelaide and Perth. Cox has calculated that the loss of all federal formula funding ($1.9 billion in 1994) could be made up via transit system operating efficiencies averaging 11.3 percent well within the range of what has been achieved via competitive contracting of bus service in the United States and overseas. Competitive contracting and other productivity improvements would be much easier to accomplish after the end of federal grants, because transit agencies would no longer have to comply with the labor restrictions of section 13(c), which major transit agencies have urged be removed as a costly federal mandate. Of all transportation modes, urban transit is clearly the most obviously local and the furthest removed from being a federal matter. When this fact is combined with an appreciation of the harm done by federal transit aid, the case for shifting this function to the local level is overwhelming.

#### States solve alone

Robert Poole, President of the Reason Foundation, 1996, “DEFEDERALIZING TRANSPORTATION FUNDING,” http://reason.org/files/4883e8bd01480c4d96ce788feb1f2e05.pdf

In a 1990 analysis prior to the adoption of ISTEA, transportation economist Gabriel Roth summarized the strengths and weaknesses of the Highway Trust Fund. Its main strength is that it has achieved its objective of greatly improving U.S. highways at relatively low cost to its users. But Roth also noted a number of weaknesses. ! Divided Responsibilities. Federal funding and regulations are overlaid on state highway agencies which are the actual owners, operators, and part-funders of the federal highway system. This division of responsibilities hinders sound investment decision-making and businesslike management of our highways. ! Costly Federal Requirements. States must comply with costly and burdensome regulations as a condition of using federal highway funds. Davis-Bacon Act wage provisions, Buy America provisions, and various setasides requirements increase construction costs by 20 percent. Many other requirements, such as (recently repealed) maximum speed limits and minimum drinking age, do not directly increase highway costs but may conflict with state policy priorities. Still others, such as metric conversion requirements, increase operating costs. In addition, Roth estimates that the administrative costs of federal grant programs are on the order of 1.5 percent at the federal level and 5 to 7 percent at the state level. ! The Free-Money Effect. The availability of 80 percent or more federal funding for a new facility leads to a certain amount of gold-plating of projects funded with federal money compared with comparable projects funded solely with state funds. For example, in Phoenix, AZ those portions of the urban freeway system that are state-funded are relatively austere, whereas the federally funded portions boast landscaping, and one portion was built as a cut-and-cover tunnel with an urban park above it at considerably greater cost. Highway engineers can provide numerous examples of this effect. ! Redistribution Among States. The trust fund distributes federal funds among the states according to complex formulas which significantly redistribute resources. Many states are net donors; others are net recipients. While such redistribution may have been necessary to develop the Interstate system, its continuation is questionable now that this system is complete and operational. Supply and demand more accurately reflects the real need for additional transportation investment than the trust fund's arcane formulas. ! Use for Non-Highway Purposes. Administrations and Congress are routinely tempted to use the trust fund for deficit-management purposes. ISTEA devoted a portion of its fuel-tax increase to federal deficit reduction rather than to the trust fund. In addition, federal budgets frequently appropriate less from the Trust Fund than is collected in a given year, in order to Ahold down the deficit, thereby accumulating multi-billion dollar balances in the Trust Fund. This practice tends to starve the transportation system of needed investment, even though these funds can only be spent on transportation. Moreover, as of 1996, only 12 cents out of each 18.4 cents paid by highway users in gasoline taxes actually goes for highways; 4.3 cents goes for deficit reduction and another 2 cents goes for mass transit. ! Concealment of Trust Fund Costs. Records of trust fund disbursements to the states reflect the accumulated interest earned on trust fund balances and eventually returned to the states. Over the years since 1956, the trust fund has paid out 16 percent more than states paid in, thanks to this accumulated interest. However, states themselves could have earned at least this much, and had access to the funds at times of their own choosing, had the funds been left with the states in the first place. Hence, the amounts recorded as returned to each state should be adjusted downward by 16 percent to account for the artificial nature of these earnings. In addition, the federal costs of operating the trust fund account for another one percent, requiring another downward adjustment of this amount. How would states fare if there were no federal fuel taxes and no federal highway grants i.e., if the money were left to be collected and spent within each state? To begin with, there is the estimated 20 percent cost impact of Davis-Bacon and other federal requirements. This number may over-estimate the federal impact, because 19 states have strong state-level equivalents of Davis-Bacon that would still apply if the federal requirement went away and another 12 have weak laws of this type. For a state with local version of Davis-Bacon, how much would project costs be reduced if the federal requirement went away? A 1995 survey of state transportation agencies conducted by the American Association of State Highway and Transportation Officials (AASHTO) turned up very few hard quantitative estimates. The only state that reported such a study was Arizona, which came up with an overall cost increase due to Davis-Bacon of 13 percent. Because Arizona may not be nationally representative (lower labor costs than many other states, right-towork law), we will assume that the average impact in a state with no mini-Davis Bacon Act of its own is 10 percent. For states with a strong mini-act, we will assume zero percent impact from devolution, and assume five percent for states with a weak mini-act. What about the balance of the previously estimated 20 percent federal cost impact? The other identified regulations making up the original estimate (besides Davis-Bacon) were Buy America provisions and minority/women/small business set-asides (and possibly though not mentioned more-costly federal environmental requirements). Nominally, these were apparently being estimated at 10 percent (with Davis-Bacon making up the other 10 percent, for a total of 20 percent). Because some states have regulations in each of these categories, a more conservative estimate of the federal impact would be five percent.

### Solves – Rail

#### Empirics prove – federally run rail programs fail

Robert Poole, President of the Reason Foundation, 1996, “DEFEDERALIZING TRANSPORTATION FUNDING,” http://reason.org/files/4883e8bd01480c4d96ce788feb1f2e05.pdf

Since annual federal aid for mass transit was first authorized via the Urban Mass Transportation Act of 1964, the federal government has spent some $130 billion for this purpose, in 1996 dollars. The 1964 act authorized capital grants to assist cities in taking over and rehabilitating mostly bankrupt private transit systems. Further legislation in 1971 added new rail starts to the projects eligible for up to 80 percent federal funding. Another mass transit act in 1974 for the first time authorized operating subsidies, as well, to cover up to 50 percent of a transit agencys operating losses. In 1982 one cent of the federal gasoline tax was dedicated to transit aid (for capital grants). And ISTEA in 1991 further broadened the extent to which highway funds could be shifted to transit projects. The American Public Transit Association estimates that $1.7 billion has been transferred from highways to transit during the years 1992 through 1995 under ISTEA=s provisions. 13 Overall, federal, state, and local transit subsidies since 1964 total $310 billion in 1996 dollars nearly as much as the $329 billion cost of the Interstate highway system. 14 What have been the results? The premise of federal transit aid was that modernized transit systems would reverse the long-term decline in transit ridership, thereby easing traffic congestion, reducing air pollution, and saving energy. Yet as Figure 1 makes clear, the use of transit by commuters has continued to decline, despite the huge sums spent by federal, state, and local governments to subsidize bus and rail services. A 1988 assessment by the Congressional Budget Office concluded the following: After 25 years of federal aid, transit agencies have modern fleets, and many own considerably more vehicles than they need for rush-hour traffic. Yet most of the equipment in service is underused, and the federal operating subsidies go largely to pay for buses and trains running empty rather than for service improvements or fare discounts Indeed, CBO concluded that the ability to have up to 80 percent of capital programs paid for by someone else had biased transit systems= decisions in favor of capital expenditures for bus and especially rail systems that are not cost-effective. Figure 2 depicts the results of CBO=s calculation of the relative cost per passenger mile of five different transit modes. It is doubtful that many cities would have opted for the high-cost rail alternatives had extensive free federal money not been made available. Now, of course, they are stuck with paying to operate those expensive systems. But shifting so much resources to rail transit has had the further consequence of reducing overall transit ridership. Figure 3 depicts transit ridership before and after federally funded rail systems were added to the transit systems of a number of major cities. As CBO and others have pointed out, cities that have added rail systems generally reconfigured their bus systems to feed the rail lines. But that has often had the perverse effect of making the bus system (which covers a vastly greater area) less useful for numerous ordinary trips. That, in turn, has served to reduce overall ridership. Again, the CBO report concludes that, A New transit systems financed with federal aid particularly rapid rail projects have not lived up to their promise. Generally they have lowered the efficiency of transit service by adding expensive unused capacity. The extent of unused capacity is depicted in Figure 4, which shows the measured load factor (fraction of all spaces during hours of operation that are occupied by customers) for the same five transit modes depicted in Figure 2.

### Solves – Rail

#### State control key

Robert Poole, President of the Reason Foundation, 1996, “DEFEDERALIZING TRANSPORTATION FUNDING,” http://reason.org/files/4883e8bd01480c4d96ce788feb1f2e05.pdf

As for operating subsidies, CBO found that more than 75 percent of U.S. transit ridership is on systems that rely on federal operating subsidies for only 8 percent or less of their revenue. Modest productivity gains could easily compensate for the loss of federal subsidies in those large-city cases. On the other hand, the smallest 200 cities receiving federal transit aid (all but three with populations under one million) carry only 7 percent of transit ridership but account for 27 percent of federal operating subsidies. CBO notes that while cities in this group would have the most to lose from a withdrawal of federal aid, they would potentially have much to gain also: their transit services are now among the least efficient, and pressure to reduce costs could only improve them.@ Cities could cut costs dramatically via competitive contracting of transit services. Wendell Cox has reviewed the worldwide experience with competitive contracting of transit service (in which firms bid for the right to operate specific groups of routes on the basis of the least amount of subsidy needed). He finds significant reductions in cost per vehicle mile, ranging from 19 percent in Copenhagen to 25 percent in Australian cities (Adelaide, Brisbane, Perth), 33 percent in San Diego, and 42 percent in London. 21 He notes that competitive contracting has begun expanding from bus to rail, with subway service now outsourced in Stockholm and rail system contracting now planned in Adelaide and Perth. Cox has calculated that the loss of all federal formula funding ($1.9 billion in 1994) could be made up via transit system operating efficiencies averaging 11.3 percentCwell within the range of what has been achieved via competitive contracting of bus service in the United States and overseas. 22 Competitive contracting and other productivity improvements would be much easier to accomplish after the end of federal grants, because transit agencies would no longer have to comply with the labor restrictions of section 13(c), which major transit agencies have urged be removed as a costly federal mandate. Of all transportation modes, urban transit is clearly the most obviously local and the furthest removed from being a federal matter. When this fact is combined with an appreciation of the harm done by federal transit aid, the case for shifting this function to the local level is overwhelming.

### Solves – Rail

#### Empirically solve

Christopher Koch, President & CEO of the World Shipping Council (Remarks at the 6th Annual Trans-Pacific Maritime Conference, “Government Policy and Action Regarding Improvement of the Nation’s Intermodal Transportation Infrastructure,” World Shipping Council, 3-6-2006, http://www.worldshipping.org/pdf/transpacific\_maritime\_conference\_paper\_march\_2006.pdf

• The activity associated with the development of the new APM Terminals facility in Portsmouth, Virginia is a series of public-private partnerships, all carefully linked together. The city of Portsmouth faced revenue shortfalls and had been trying for decades to develop a 568-acre riverfront parcel with deepwater access – then known as the Cox property. The Virginia Port Authority identified in 2000 that it would have a capacity shortfall by 2010 in its existing facilities. So in 2001, A.P. Moller-Maersk purchased the Cox property with the intention of developing it as a primary East Coast shipping hub. In 2004 the company, together with the governor, Congressional, and local representatives jointly announced plans not only for APM Terminals to spend one half billion private capital dollars to construct the terminal, but for the state to expand road access to the facility; and for both the state and federal governments to support rail expansion. The latter ultimately led to the development of the Heartland Corridor project – a $266 million project that will remove height impediments along rail track from Virginia to Ohio enabling the use of double-stack trains, as well as extend the rail line directly into the new facility and adjust the capacity of the roads that feed the railroad and the terminal. Most of the funding is coming from the private sector, and the federal government contributed $143 million in the last highway bill; Virginia originally approved $53.4 million for roads and more is proposed. Collectively, these projects will provide the national economy with additional freight capacity; the local Virginia economy with more jobs and more tax revenue; and, reduce the environmental impact of freight movement to communities all along the Heartland Corridor route by taking more trucks off the highways. • The $2 billion Alameda Corridor project remains one of the best known examples of a public-private partnership in part because it involved two highly competitive railroads, two ports, and local, state and federal governments – all who came together to find a solution that would expand port capacity, provide for more efficient rail freight movements, reduce noise and delays on local streets and highways; improve safety, and achieve significant reductions in pollution from vehicles and locomotives. The complexity of the “partners” involved and the importance of sustaining public benefit resulted in the creation of a new local government entity – the Alameda Corridor Transportation Authority – to collect revenue from users and continue to operate the new throughway in the manner in which it was intended. (More information about rail public-private partnerships can be found at: http://www.aar.org/ViewContent.asp?Content\_ID=2800 ) Highway transportation infrastructure solutions have to be implemented location by location by the owners of the system, either individually or collectively, in cooperation with the users of the system. That means state governments, MPOs and COGs must work closely with the shippers and transportation service providers operating within the state. This is at the heart of solution planning. The federal government will continue its policy work, will continue to provide funding to the extent that the NHTF allows, will continue to manage federal financing programs like those created for special projects or for grants and loans, will be a resource for the states and local governments in addressing various financing options available and how to use them, and can help facilitate discussion among states for projects that cross state borders and serve the national interest -- the concept behind the “Projects of Regional and National Significance” program. But in the end, the solutions will be driven at the state and local level, and those interested in improving the efficiency of moving freight in a region need to develop close working relationships with state and local planners. C. Rail Capacity: Private Sector Infrastructure Rail infrastructure -- unlike highway infrastructure -- is a private sector responsibility. It is the railroads that decide how much to invest in what portions of their infrastructure. It’s a heavily capital intensive business. From 1980 to 2005, major U.S. freight railroad capital spending on infrastructure and equipment was more than $120 billion. In addition to this capital spending, railroads expend $10-$12 billion per year to repair and maintain their assets. The rail industry does not have an easy means of segregating its investment in intermodal facilities vs. others. In fact, much of freight railroads' investment is not in dedicated services, but in joint and common assets which serve intermodal movements and all other movements/commodities/services as well. In addition to the pace of investment spending, another issue that the railroads face is the need for groups of states to collectively agree to modifications along an entire route. The CREATE project was not really faced with that challenge because resolution of the problem was centralized in Illinois. The Heartland Corridor project is a good example of where multiple state agreements worked well. Had all the states not agreed with the plan, there would be little incentive – and in fact little value for the shipping public – for the railroad to invest in partial upgrades.

### Federal Action Fails

#### Federal funding creates technology lock in – guts solvency

Jeff Richard Brown, PhD in Urban Planning from UCLA, 2003, “The Numbers Game: The Politics of the Federal Surface Transportation Program,” http://uctc.net/research/diss109.pdf

At the same time, we must reconsider the wisdom of the very high matching ratios we use in our federal transportation programs. In many cases the federal government is willing to pick up more than 80 percent of the cost of a highway or transit project. This makes a lot of less essential (in transportation terms) projects more desirable from the standpoint of local or state officials. Many things appear quite desirable when you only have to cover 20 percent of the capital cost. It was just this sort of matching ratio incentive that influenced urban freeway development to favor modern interstate-style highways rather than some of the smaller-scale, multi-modal concepts being planned by local engineers and planners. State and local governments took the interstate money, and accepted the interstate rules and design requirements, because the federal government was willing to pay 90 percent of the cost (Taylor 2000). It could expect no federal aid were it to decide to build an alternative. It’s hardly surprising what the results of such a financial incentive can be. We merely have to look at our cities to see the results—and look at how different the situation is in other nearby countries (for example Canada) which lacked a federal program with such large dollars and distorting matching share incentives.

#### Constituency bias kills policy effectiveness

Jeff Richard Brown, PhD in Urban Planning from UCLA, 2003, “The Numbers Game: The Politics of the Federal Surface Transportation Program,” http://uctc.net/research/diss109.pdf

I hypothesize that a number of factors produce the patterns of revenue and expenditure that we find. First, I suspect there is an anti-urban bias in the distribution of transportation dollars, particularly in the federal highway program. I believe federal highway dollars are being redistributed from urban to rural states. I suspect this tendency is partly a legacy of the program’s origins as a rural-only highway program, but is perpetuated by a formula allocation process negotiated in a political environment in which the benefiting areas are disproportionately influential. Second, I believe the states and localities represented on the key policymaking and oversight committees in congress disproportionately benefit from the federal surface transportation program. The disproportionate representation of rural politicians and interest groups in the policymaking process, including membership on the congressional committees that oversee the program, is one possible explanation for the anti-urban bias noted above. I strongly suspect that those urban states that have been large beneficiaries of the Federal program have also been at the committee table. Third, there has been a shift in the patterns of redistribution and influence over the past few decades, but only a slight one. I don’t believe that the changes enacted in ISTEA and TEA-21 have had a large effect on the patterns of transportation expenditures. For all the changes over the course of their history, the surface transportation programs have been remarkably consistent and stable—except in a very few moments of crisis and genuine policy change. Fourth, political and interest group wrangling have caused a distortion in favor of capital expenditures, as opposed to maintenance and operations, and the same maneuvers have given certain kinds of mass transit capital initiatives, particularly rail projects in a handful of favored localities, a disproportionate share of transit resources.

### Federal Action Fails

#### Only states have vital local knowledge

Ronald Utt, PhD in economics from Indiana University, Senior Research Fellow in the Institute for Economic Policy Studies at The Heritage Foundation, 11-21-2003, “Proposal to Turn the Federal Highway Program Back to the States Would Relieve Traffic Congestion,” The Heritage Foundation

Representative Jeff Flake (R–AZ) has introduced legislation that would devolve, or “turn back,” the federal highway and transit programs to the states by allowing them to take over collection of the federal fuel tax and spend those revenues on transportation priorities of their own choosing, not Washington’s. The policies embodied in this bill—the Transportation Empowerment Act (H.R. 3113)—would significantly improve the efficiency and effectiveness of surface transportation programs without imposing a tax increase. Problems With the Status Quo With the completion of the interstate highway system more than 20 years ago and the increased urbanization of the population, America’s transportation problems have become increasingly local and regional in nature. As a result, Washington officials have little to offer in the way of effective solutions to distant problems. Indeed, a case could be made that the existing top-down, one-size-fits-all approach embodied in the 1998 Transportation Equity Act for the 21st Century (TEA–21) has become a counterproductive waste of money that increasingly benefits influential constituencies at the expense of the ordinary motorists who fund the program through their taxes.

#### Local policy involvement is key

Ronald Utt, PhD in economics from Indiana University, Senior Research Fellow in the Institute for Economic Policy Studies at The Heritage Foundation, 11-21-2003, “Proposal to Turn the Federal Highway Program Back to the States Would Relieve Traffic Congestion,” The Heritage Foundation

Having completed the authorized task of constructing a 41,000-mile interstate highway system from coast to coast and border to border, the federal government has found it difficult to resolve surface transportation problems that are increasingly local in nature and beyond the skill of the Washington bureaucracy and congressional committees. Despite record levels of highway spending, congestion is worsening and roads are deteriorating, and many in Congress and the Administration appear to have little interest in doing much more than continuing the status quo, albeit at higher levels of taxpayer funding. Such an unfortunate outcome would do little more than perpetuate this defective system for another six years and lead to more congestion and infrastructure deterioration.

### Federal Action Fails

#### Federal spending on infrastructure wastes a ton of money

Ronald Utt, PhD in economics from Indiana University, Senior Research Fellow in the Institute for Economic Policy Studies at The Heritage Foundation, 11-21-2003, “Proposal to Turn the Federal Highway Program Back to the States Would Relieve Traffic Congestion,” The Heritage Foundation

Over the six-year period from 1998–2003, TEA–21 authorized the federal government to spend $217 billion on roads and transit,1 but very little of this money went for new road capacity. As a consequence of this misspending, traffic congestion has continued to worsen throughout the United States. According to annual calculations provided by the Texas Transportation Institute, the 75-city congestion index increased from 1.08 in 1996 to 1.17 in 2001, the percentage of freeway lane-miles that are congested during peak period rose from 43 percent in 1990 to 55 percent in 2001, and the percentage of daily travel in1 congestion rose from 30 percent in 1996 to 34 percent in 2001.2 Among the many problems with the existing centralized, command-and-control program are longstanding regional inequities between “donor” states— those whose motorists pay more in fuel taxes than they receive back from the program—and “recipient” states—those that get back more than they pay. Over the past several decades, many of the southern and western states have found themselves in the position of donors, while states in the northeast and central regions of the country are most often recipients. In the year leading up to the 1998 reauthorization of the federal highway program, many of the donor states organized themselves into STEP 21, an advocacy group that sought to ameliorate the inequity with a federal guarantee that each state would receive at least a 90.5 percent return on its tax revenues. While such a provision was included in TEA– 21, many argued that it was not likely to be effective, and this seems to have been the case as many traditional donor states still receive share returns below 90 percent. Under allocation formulas embodied in the current law, Mississippi, the poorest state in the Union, pays more than it gets back, while Connecticut, the richest state, gets back more than it pays. Moreover, fast-growing states tend to do worse than slowgrowing states under the current formula. Fastgrowing states like California, Florida, Texas, Georgia, North Carolina, and South Carolina are longstanding donors—year after year shipping a portion of their fuel tax revenues to perennial recipient states like New York, Massachusetts, and Pennsylvania. 3 For example, Texas does exceptionally poorly under the federal highway program. In 2001, its motorists accounted for 8.65 percent of the revenue paid into the Highway Trust Fund but received only 6.93 percent of the money paid out of the fund. If Texas had been entitled to a return share equal to its contribution to the trust fund, it would have received an additional $585 million in federal transportation money in 2001.4 Another major problem with the existing federal program is the mandated diversion of as much as 40 percent of federal fuel tax revenues to non–general purpose highway projects that benefit small but influential fractions of the population, including the billions of dollars wasted on the thousands of questionable pork-barrel projects that Members of Congress inserted into the legislation. The largest diversion of all is the federal transit program that shifts a disproportionate share of the federal transportation money (20 percent) from roads to transit systems that carry only a small portion (1.8 percent) of the traveling public.

### Solves Federal Action

#### State action bubbles up to the federal level

Stanley Etizen Professor Emeritus of Sociology at Colorado State University, 2009, Solutions to social problems: lessons from state and local governments, p.2-4.

What appears to be happening in some states and cities (certainly not all) is that Republicans and Democrats, unlike at the federal level, sometimes join in common cause to legislate for the common good. With Washington in gridlock, mayors and governors and their policymaking bodies are shedding rigid partisanship and taking on such social problems as undemocratic practices, inadequate health care, poverty, lack of affordable housing, inadequate schools, carbon emissions, global warming, excessive prescription drug costs, decaying infrastructure, and the lack of a living wage. This book explores local and state initiatives that demonstrate possible solutions to social problems, with the hope that the successful ones will "bubble up" to the federal level.

#### State action pressures the federal government

Anna Maria Gabrielidis, Assistant Public Defender, Las Cruces, New Mexico; LL.M., Center for Civil and Human Rights, Notre Dame Law School 2006, Buffalo Human Rights Law Review “HUMAN RIGHTS BEGIN AT HOME: A POLICY ANALYSIS OF LITIGATING INTERNATIONAL HUMAN RIGHTS IN U.S. STATE COURT” Lexis.

Although the appellate court's decision did not mention IHRL, New Mexicans for Free Enterprise provided perfect fodder for arguments for state courts to accept the relevance of IHRL provisions such as ICESCR Article 7 recognizing the right to fair wages and a decedent living. Proponents of a living wage hope that raising minimum wages in cities and states will pressure the federal government to take action. This strategy is not new. Harvard Professor Richard Freeman explains that "a lot of the New Deal legislation, good or bad, came about because there was a lot of state legislation,"n315 and that the "things that work the best might be adopted nationally." n316 Under this rubric, state courts upholding IHRL might pressure the federal government to ratify and implement international human rights treaties.

### Solves Federal Action

#### Feds follow the states

Henry Shattuck Professor of Government and Director, Center for American Political Studies, Department of Government, Harvard University, 1996, Yale Journal on Regulation, “Devolution’s Price,” Lexis.

State and local governments are efficient mechanisms for supplying most of the physical and social infrastructure needed for economic development. In providing roads, schools, sanitation systems, and public safety to their residents, state and local governments must be sensitive to local businesses and residents. If they ignore their constituencies, people will vote with their feet and move to another town. Since seventeen percent of the population changes residence each year, the effects of locational choices on property values can be quickly felt. Moreover, if a state or community makes a poor policy choice, its failure will soon become apparent and other communities will learn from the mistake. If it chooses wisely, its policy will be copied--and thus be disseminated throughout the federal system.

#### State action spurs federal modeling

Daniel Halberstam, assistant professor law at the University of Michigan Law School specializing in U.S. constitutional law and Roderick M. Hills, professor of law at the University of Michigan Law School, specializing in U.S. constitutional law, local government law, the law of federalism and intergovernmental relations, 2001, The American Academy of Political and Social Science, “State Autonomy in Germany and the United States,” Lexis

The states may exploit this power to initiate programs as a practical means to counteract Congress's constitutional authority to federalize policy areas. For example, before Congress generates enough political will to legislate in any given area, states may step into the field with their own policy proposals. One result is that state policy initiatives may be quite influential in the federal lawmaking process by providing the initial impetus and sometimes even blueprint for federal action (Elliot, Ackerman, and Millian 1985). To bypass or overrule the states, not only must Congress often demonstrate that its proposed regulatory scheme is politically desirable, but it must do so by arguing specifically against the continued existence of active state regulation.

### AT: Extra-Territorial

#### Partnerships solve

John Miller, an American journalist and a former government official, former Associate Deputy Director of National Intelligence for Analytic Transformation and Technology, 2009, http://www.virginiadot.org/projects/vtransNew/resources/VTrans2035\_Decisionmaking\_FINAL.pdf

The idea of multi-state partnerships is not new and in fact has been suggested as an essential instrument for achieving a particular transportation goal. Roth and Aggarwala (2002) described the National Passenger Railroad Corporation’s rail service (Amtrak) from Boston to Washington, D.C., as a “regional” asset managed at the national level. Since the authors believed that national funding was unlikely to be sufficient, they advocated the formation of a multi-state partnership to support Amtrak. Such multi-state areas have also been described as a “megaregion,” which Amekudzi et al. (2007) define as “a contiguous area that comprises multiple major cities or megacities.” Figure 1 shows ten megaregions that have been identified in the U.S. Virginia is included within one such megaregion—the Northeast megaregion, which captures between 28% and 65% of Virginia’s population depending on whether the southern terminus is Northern Virginia, Richmond, or Hampton Roads.

#### Compacts solve.

Robert Puentes, a senior fellow with the Brookings Institution’s Metropolitan Policy Program where he also directs the Program's Metropolitan Infrastructure Initiative, 4-9-2010, “Intermetropolitan Passenger Rail: Considerations for State Legislatures,” http:// www.brookings.edu/research/speeches/2010/04/09-rail-transportation-puentes

The next point is that if a particular corridor extends beyond individual state borders, close coordination—both formal and informal—with your neighbors is essential. More than just backroom deals, these are lengthy relationships that bear real fruit in the form of finalized plans, environmental reviews, and dedicated shared funding agreements. This appeared to have been a significant advantage for those who received ARRA funding and a hindrance for those who did not as, by design, several of the award-winning corridors involved multi-state compacts. For example, the eight-state Midwest Regional Rail Initiative was established as far back as the mid-1990s. In consultation with the federal government, the states worked to develop a rail plan that was released in 1998 and updated in 2004. Last summer, the eight governors, along with the mayor of Chicago, signed a Memorandum of Understanding in anticipation of joint applications for ARRA funding that laid out plans for collective high-speed rail priorities and planning. Partly as a result, the projects in and around the Chicago hub received nearly as much funding ($2.16 billion) as did California ($2.34 billion.) Similarly, the Virginia-North Carolina Interstate High-Speed Rail Commission, created in 2001, agreed to recommend to its respective parent legislatures the enactment of an interstate rail compact. Both state legislatures passed laws establishing the Compact in 2004. The North Carolina—Virginia corridor received a total of $620 million spread among three investments.

### AT: Extra-Territorial

#### States work together

Keon Chi, Expert on Federalism and State Government, Council of State Governments National Center for State Governance Director, Former Government/Polisci Professor at Georgetown, July 1990, “Resurgence of Multistate Regionalism,” Council of State Governments, http://www.csg.org/programs/ncic/documents/ResurgenceofMultistateRegionalism-KeonChi-Spectrum-July1990.pdf

States gain several advantages when taking a regional approach as compared to working alone. First, a regional approach allows state officials to pool their expertise and experience. Second, a regional approach raises policy issues more effectively and, as a result, has a greater impact. Third, such an approach helps states better deal with crisis situations by sharing resources and facilities. Fourth, a regional approach can exert more influence and enhance state visibility in Washington and overseas. And, fifth, it is cost effective.

### AT: Links to Politics

#### CP avoids controversial fights

Stanley Etizen Professor Emeritus of Sociology at Colorado State University, 2009, Solutions to social problems: lessons from state and local governments, p.2-4.

These social problems have solutions, but the federal government rarely acts decisively to ameliorate them. Often there is gridlock in Washington, DC, as ideologues from the right and left refuse to work out compromise legislation ("partisanship-on-crack") (Grunwald, 2007). The role of government is at the heart of this ideological divide. Conservatives are hostile to the New Deal legacy of what they call "big government." They value individualism, freedom, and the market economy, believing fundamentally that government action interferes with each. Conservatives see social problems as the consequence of bad people making bad decisions. Most significantly, conservatives seek to reduce taxes, which consequently reduces government. Progressives counter these ideas by arguing that a laissez-faire approach guarantees exaggerated inequality. Moreover, they aver that it is not bad people but social structural impediments that doom some to fail. Thus, progressive government policies such as a reliable safety net, reducing extreme income/wealth disparities, education for preschool and school children from high-risk situations, and stiffer laws and penalties for reducing the use of hydrocarbons are needed to attack social problems (Eitzen & Sage, 2007, pp. 219223). But these government programs are expensive, possibly requiring higher taxes to implement and sustain them. Added to the ideological gridlock is the power of interest groups and their extraordinary lobbying efforts to influence legislation. The United States, for example, does not have universal health insurance because of the power of the pharmaceutical and health insurance industries to prevent legislation that would undermine their enormous advantages under the current system. A final source of federal inaction against social problems is caution by many members of Congress and presidents to attempt new and bold plans. If bold initiatives fail, the public knows who to blame, and their wrath will be felt in the next election. Thus, inaction is often preferred over action and the status quo is preserved. With Washington often immobilized, some states and local governments are filling the social policy vacuum with bold initiatives. As Forbes, the conservative business magazine, editorialized: Raise the minimum wage. Attack global warming. Negotiate lower prescription drug prices. Extend health coverage to the uninsured. Protect consumers from identity theft. A to-do list for Democrats taking over Congress? Nope, a sample of what states are up to. (Forbes, 2006, p.54) These state actions are in contrast to federal inaction caused by the reasons noted, as well as other developments. First, the George W. Bush two-term presidency, three-fourths of which was with a Republican-dominated Congress, opted consistently for a conservative agenda-lower taxes, less government regulation of business, and the like. This agenda enhanced social problems. Second, the huge federal debt increased mightily with the Iraq War, and major tax cuts made policymakers shy about adding new and expensive programs. Third, the conservative agenda largely in force since the 1980s trumpeted a renewed federalism, handing off some federal powers to the states, giving away power over everything from welfare to Medicaid. According to political analyst Ezra Klein: "States can't deficit spend, so handing them once-federal responsibilities under the rubric of restored federalism promised to shrink the expansiveness, generosity, and responsiveness of government services" (2007, p. 24). However, governors, whether Republican or Democrat, find that it is not easy being a service-slashing ideologue on the state level, where they are closer than politicians in Washington to the people. Klein continued: "Governors can see the consequences of federal cutbacks and unfunded federal mandates. They see the consequences of letting cities deteriorate. They have to pay for the Medicaid patients. They have to pay for the consequences of housing cuts" (p. 24). Those states hit especially hard have even more incentive to take action to solve social problems. For example, states dependent on manufacturing, such as Michigan and Ohio, have been crushed by the dramatic loss of manufacturing jobs. Ohio, for instance, lost one-fifth of its manufacturing jobs from 2000 to 2006, resulting in a declining economy, many downwardly mobile families, and droves of young people leaving the state. Faced with this disaster the Ohio governor and legislature targeted investment in new industries (e.g., investing $250 million a year in the renewable energy industry) and funded an adult education system to retrain workers (Klein, 2007).

### AT: Long Timeframe

#### States act faster than the feds

John Miller is an American journalist and a former government official. He is the former Associate Deputy Director of National Intelligence for Analytic Transformation and Technology, 2009, http://www.virginiadot.org/projects/vtransNew/resources/VTrans2035\_Decisionmaking\_FINAL.pdf

One reason is an increase in efficiency that results from local administration of a project. Whitley (2006), for example, notes that the Urban Construction Initiative is beneficial due to a reduction in overhead costs; this reduction comes from both reduced staff time and an ability to customize local solutions. As another example, Seefeldt et. al. (1987) noted that greater local involvement with project delivery could enable the use of certain processes by locales, such as the use of condemnation authority, to accelerate project delivery. Perhaps a quote from Whitley (2006) best captures the spirit of expecting greater efficiencies from devolving project delivery to local governments: VDOT, because they are operating on a statewide basis, has a uniform set of guidelines, standards and rules that may not be applicable on every project, and localities feel that several of these processes can be shortened or eliminated in order to expedite the design and construction of the project.

### AT: Signal

#### States are perceived by international actors

Nick Robinson, Yale Law School, J.D, Currently Fox Fellow at Jawaharlal Nehru University, New Delhi, 2007 Akron Law Review “Citizens Not Subjects: U.S. Foreign Relations Law and the Decentralization of Foreign Policy” Lexis

And yet, state and local governments today have become deeply enmeshed in international affairs as globalization has decentralized foreign relations. On the one hand, localities have become more autonomous international actors than they ever were or could have been before. In pursuing interests with international implications, they tread in a sphere traditionally monopolized by the federal government. On the other hand, the internationalization of many formerly domestic issues means that an increasing number of traditional state and local government actions now have foreign policy implications. The emergence of localities as actors in American foreign policy creates new possibilities for creating more participatory and democratic international relations. It also merely reflects a world where increased interconnectivity across borders and the global regulation of markets and values has collapsed local and international concerns. This article will argue that U.S. foreign relations law has failed to address this new reality. The Supreme Court has largely clung either explicitly or implicitly to a jurisprudence that holds that the country should speak [\*649] with "one voice" in foreign relations. Such a position is not only naive, but it also weakens American democracy. With globalization's commingling of the local and the international, a strong judicial bias towards federalizing issues with a bearing on foreign relations will lead to a hollowing out of the decision-making power of localities. States and municipalities will risk becoming largely units of administrative governance.

#### Governors can get involved with other governments on an international level

Earl Fry, 2-15-2009, "The Evolving Role of US State Governments in the International Economy" Paper presented at the annual meeting of the ISA's 50th ANNUAL CONVENTION "EXPLORING THE PAST, ANTICIPATING THE FUTURE", http://www.allacademic.com/meta/p310932\_index.html

Globalization involves the growing intersection of the local with the global and helps explain why state and even local governments are involved in what John Kincaid calls “constituent diplomacy,” even when they are simply fulfilling their traditional role of protecting and enhancing the interests of the people whom they represent.24 During the 2001-2002 legislative years, 886 bills and resolutions linked to some aspect of foreign relations were introduced in state legislatures, and 306 were adopted. This type of activity is up dramatically from the beginning of the 1990s.25 Governors may also be actively engaged abroad, not only meeting with their counterparts in other countries, but even occasionally with leaders of national governments.26 In May 2006, President Vicente Fox came to the United States for formal visits with governors in California, Washington, and Utah. His visit with Governor Jon Huntsman, Jr. in sparsely populated Utah was prompted by Huntsman’s meeting with Fox in Mexico City a year earlier, and Huntsman’s willingness to sponsor a resolution passed by the Western Governors’ Association which supports a guest-worker program with Mexico. Utah’s government is also one of several states which allow undocumented residents to attend public colleges and universities at in-state tuition rates and have issued special permits authorizing them to drive motor vehicles. Governor Arnold Schwarzenegger of California expressed reservations about Washington’s proposal to beef up U.S. security along the southern border by deploying National Guard troops, echoing Fox’s own line of thinking. Mexico’s national government also recognizes that some state governments are potential allies in convincing Washington to endorse more pro-Mexico policies, especially in the area of immigration and guest workers. This rationale helps explain why Mexico operates 47 consulates which are spread around the United States, far more than any other nation. These consular officials serve not only the needs of the more than 10 million Mexican citizens who live in the United States and send over $20 billion in remittances back to their home country annually, but also lobby U.S. state and local government officials in behalf of the Mexican national government. In a similar vein, other foreign governments have almost 1,500 consular offices or honorary consuls to represent their interests outside of Washington, D.C., and their duties include maintaining close contacts with state and local governments.27

### AT: Signal

#### State governments are representative of the USFG

Nick Robinson, Yale Law School, J.D, Currently Fox Fellow at Jawaharlal Nehru University, New Delhi, 2007 Akron Law Review “Citizens Not Subjects: U.S. Foreign Relations Law and the Decentralization of Foreign Policy” Lexis

State and local governments are arguably seen as representing the U.S. government abroad in a more official capacity than U.S. non-state actors. The governments of these localities are democratically elected and so it is more likely that they will be seen as acting on behalf of the American people. Additionally, the federal government generally has a greater ability to control the actions of these localities than non-state actors. Therefore, there is a greater chance that nonintervention by the federal government to stop offensive activity will be seen as federal endorsement of such activity. Such logic though should caution against court intervention in these cases rather than encourage it. If localities' actions damage U.S. foreign policy interests, the federal government can easily preempt the state or local policies in question. Further, with the world's increased interconnectedness, it is more likely that if a foreign government takes offense to a locality's policy it can discriminate between the policy of the locality and the policy of the federal government. n155

### AT: Preemption

#### Uniform enactment avoids preemption

Nim Razook, Professor of Legal Studies, University of Oklahoma Price College of Business, 9-22-2000, “Uniform private laws, National Conference of Commissioners for Uniform State Laws, Signaling and Federal Preemption.” American Business Law Journal, http://www.accessmylibrary.com/coms2/summary\_0286-28751607\_ITM

In short, the uniform designation for UCITA sends important signals to both the states and Congress. Wholesale adoption by the states will likely exclude Congressional consideration and adoption of a preemptive commercial law in the area, although Congressional interest in the area might suggest that federal preemption may also depend upon how quickly the states embrace UCITA. Congress may interpret delays or negative receptions by the states as requiring federal intervention to fill the regulatory void. That the UCITA is also controversial might further complicate the federal-state dynamic as it applies to regulating this important area.

#### Cooperative state action succeeds and avoids federal preemption

Nim Razook, Professor of Legal Studies, University of Oklahoma Price College of Business, 9-22-2000, “Uniform private laws, National Conference of Commissioners for Uniform State Laws, Signaling and Federal Preemption.” American Business Law Journal, http://www.accessmylibrary.com/coms2/summary\_0286-28751607\_ITM

The means advanced by our polity to achieve regulatory uniformity are instructive for three reasons. First, examples of interstate cooperation via interstate compacts, agreements or uniform state laws appear to be the foil for national intervention. That states have somehow managed to overcome the collective action problems associated with efforts to cooperate and to reach some cooperative solution suggests that the costs of interstate cooperation are apparently not insurmountable obstacles. Second, efforts by the states to forge their own solutions can illuminate the underlying reasons for such cooperation in a system in which the forces of maximization discourage such efforts.42 This section suggests that they do so often to retain their autonomy and to avoid federal preemption. Finally, comparing the efforts of the Conference in promulgating and advocating uniform state laws with the decisions by Congress to preempt historically state-governed areas of law leads to a discussion of whether the Conference’s efforts might influence Congressional preemption decisions.

### AT: California Spending DA

#### California spending inevitable

Bloomberg 1-5-2012, “Brown Seeks 7% California Spending Boost”, http://www.bloomberg.com/news/2012-01-05/brown-calls-for-7-california-spending-increase-paid-for-by-higher-taxes.html

California (STOCA1) Governor Jerry Brown proposed $92.6 billion in spending for the year starting in July, an increase of about 7 percent, which will count on voters approving $7 billion of higher taxes in November. The spending plan foresees a deficit of $9.2 billion through the next 18 months. Almost half of that is in the current fiscal year, he said. He called for $4.2 billion in cuts, mostly to welfare and programs for the poor. If the tax increase isn’t passed, Brown’s plan would cut another $4.8 billion in support for public schools and community colleges.

#### Increased spending for HSR- means the DA is inevitable

Bloomberg 5-18-2012, “Brown Boosts Bullet Train While Cutting Welfare for Moms”, http://www.bloomberg.com/news/2012-05-18/brown-boosts-bullet-train-while-cutting-welfare-for-moms.html

California Governor Jerry Brown is seeking a 38,000 percent spending increase for a proposed high- speed rail system, even as he plans to raise taxes, cut state worker pay and reduce social programs to narrow a $15.7 billion deficit. Brown’s budget, revised this week, includes $6.1 billion in infrastructure costs for the first 130 miles (209 kilometers) of the project to link San Francisco and Los Angeles. The funding request, which the state’s rail authority submitted to the Legislature in April, would boost spending on the project from about $15.9 million proposed in January, according to the state Finance Department.

### AT: No Money

#### Audits solve funding problems

Robert Puentes, affiliated professor with Georgetown University's Public Policy Institute, Senior Fellow at the Brookings Institution, February 2011, “State Transportation Reform: Cut to Invest in Transportation to Deliver the Next Economy,” Brookings- Rockefeller Project on State and Metropolitan Innovation

Use market discipline to find savings and new revenue sources. Governors should order a full audit of their state’s transportation program to ensure it is functioning in the most efficient, effective manner possible. The audit should start with standard (and useful) examinations of the inner workings of transportation departments’ accounting, procurement rules, fleet management, and training. When he took over as Governor of Virginia in January 2010, Bob McDonnell called for an independent assessment of his transportation department’s organizational structure, programs, and operations. His request was approved by the state legislature and in September 2010, the audit found over $600 million in immediate savings due mainly to better contracting and project acceleration.20 A January 2009 audit of Idaho’s transportation department found over $30 million in one-time savings over five years, and $6 million annually thereafter.21

#### Coordination efficiency solves

Robert Puentes, affiliated professor with Georgetown University's Public Policy Institute, Senior Fellow at the Brookings Institution, February 2011, “State Transportation Reform: Cut to Invest in Transportation to Deliver the Next Economy,” Brookings- Rockefeller Project on State and Metropolitan Innovation

Use transportation dollars to leverage other state investments and the strengths of metropolitan areas. All too often, state agencies pursue goals and activities that work at cross-purposes or are counterproductive to one another, such as transportation and environment. The resulting duplicated services, haphazard spending, and wasted tax dollars are untenable under normal circumstances but have greater urgency as state budgets are tightening. As the governors are putting together their cabinets they should consider strategic reorganization and appoint a “super secretariat” with the authority to link up those departments that have responsibility over investments related to transportation, economic development, commerce, housing, land conservation, and other infrastructure such as water and sewer. In this way, the state can coordinate investments to maximize economic returns in the short term (such as job creation), strategically invest for the future, and increase governmental efficiency. The state benefits not only from strategic funding and alignment of programs, but also from mechanisms for state departments to collaborate and work together in pursuit of common state goals. For example, in California the secretary of the agency for Business, Transportation, and Housing coordinates and oversees 14 departments and several economic development programs and commissions. By executive order, Connecticut’s Governor Jodi Rell established the Office of Responsible Growth in 2006 to link up policy development and capital planning in the areas of economic and community development, environmental protection, agriculture, and transportation.13 In 2003, Massachusetts Governor Mitt Romney created a super agency called the Office of Commonwealth Development to coordinate the capital budgets of agencies responsible for environment, transportation, housing, and energy.14 These examples were intended mainly to coordinate resources around sustainability-type goals, but today states would benefit from better cabinet-level coordination between transportation and economic development. Michigan, for example, has a department of Energy, Labor & Economic Growth that brings together job, workforce, and economic development functions under a single agency. That office could be expanded to include transportation and environment and to centralize the economic development planning that is now carried out by the state’s 14 regional agencies. New York also has a multiplicity of these agencies and has made some attempts at coordination through entities such as the Economic Recovery and Reinvestment and Smart Growth Cabinets, but there is room for deeper synchronization of these efforts. State investments must also be coordinated with the land use and zoning regulations that localities fiercely protect. So after the policy link-up described above, they should sponsor an interagency, statewide Sustainability Challenge Competition to ensure that land use, housing, transportation, and energy conservation and efficiency are always taken into account when planning regionally for new land use and development. The competition would encourage multi-jurisdictional planning efforts and broad visions for needs like congestion relief and carbon reductions (a long-term necessity for the next economy) and reward those that can pull these disparate strands together with extra flexibility in using those funds. The sustainability challenge idea is similar to, but more ambitious than, Ohio’s $1 million Local Government Services and Regional Collaboration Grant Program which is intended to improve and enhance collaboration and regional economic development among the state’s municipalities.15

### AT: No Money

#### Not a problem

Robert Puentes, affiliated professor with Georgetown University's Public Policy Institute, Senior Fellow at the Brookings Institution, February 2011, “State Transportation Reform: Cut to Invest in Transportation to Deliver the Next Economy,” Brookings- Rockefeller Project on State and Metropolitan Innovation

While state governors and legislatures recognize that their systems are job and economic engines, infrastructure investments and the decision-making process around transportation priorities have not kept pace with the growth and evolution of the economy.3 A more export-oriented economy will require revolutionizing our ports to support next generation shipping and telecommunications exchanges. A lower carbon future means we need to remake a transportation system almost totally dependent on petroleum-based fuels. To lead on innovation, we need to make quantum leaps on new, clean infrastructure technologies. And to ensure our investments are opportunity-rich they can no longer be sprawl-inducing and decentralizing. But these elements tend to receive insufficient consideration in state transportation programs and planning. To bridge this gap, states should: n Use transportation dollars to leverage other state investments and the strengths of metropolitan areas. n Use market discipline to find savings and new revenue sources n Create or augment new public/private institutions like State Infrastructure Banks

#### Removing federal regulations allows states to fund new projects

Emily Frankel et al, Visiting Scholar at the Bipartisan Policy Center, with Robert Poole, Director of Transportation Policy at the Reason Foundation, Mary E. Peters, Former Secretary U.S. Department of Transportation, and others (Letter to Senators Boxer and Inhofe and Congressmen Mica and Rahall, Building America’s Future, 5-16-2012, Bipartisan Policy Center, and Reason Foundation, http://reason.org/files/bipartisan\_coalition\_urges\_fixes\_to\_transportation\_bill.pdf

In the current era of severely constrained investment resources for surface transportation at all levels of government, states and metropolitan regions should be afforded greater flexibility to fund and finance their transportation facilities and networks. Congress does not seem inclined to raise funding for surface transportation through increasing federal motor fuels taxes or by replacing those taxes with other dedicated funding. In the absence of new funding sources, at a minimum, Congress should provide states and metropolitan regions with the tools to develop and expand their potential sources of revenue and investment capital. To that end, federal barriers to state innovation and flexibility should be substantially reduced, and no new ones should be erected. While the Senate-passed surface transportation authorization bill, S. 1813, Moving Ahead for Progress in the 21st Century (MAP-21), contained many important steps toward the establishment of a performance-based transportation program, it did not reduce these barriers. A bipartisan amendment to extend the Federal Highway Administration’s tolling and highway user pilot programs and to expand the number of eligible participants was offered by Senators Carper of Delaware, Kirk of Illinois, and Warner of Virginia, but was ultimately withdrawn. This means that several states that wish to fund the reconstruction of aging and deteriorating Interstate highways with tolls under existing pilot programs will be unable to do so. Additionally, it will limit the ability of states to utilize some of the innovative tolling programs that would assist in managing traffic congestion, such as establishing high occupancy-tolled (HOT) and variably priced or managed lanes. Fifteen states are currently moving major projects forward thanks to innovations allowed under the Value-Pricing Pilot Program, Urban Partnership Agreements, and Congestion Reduction Demonstration Programs, and we would not want to see the pace of these innovations falter. More fundamentally, in failing to include such provisions in MAP-21, the Senate has denied states and metropolitan regions the ability to create innovative and flexible programs to finance their transportation needs, as federal funding stagnates or declines. While we recognize that the scope of this conference may limit Congressional authority to expand the flexibility of states and metropolitan regions to introduce tolling and user-charge regimes beyond current law, we urge the conferees to seek all available opportunities to maximize such state and local discretion. The ability to establish these new user-related revenue streams would greatly enhance the capacity of states and metropolitan regions to leverage additional private capital for investment in the restoration, rehabilitation, and expansion of major transportation facilities through such credit and credit-enhancement programs as TIFIA and through public-private partnerships (PPPs). MAP-21 would greatly expand TIFIA, and a comparable expansion of TIFIA was contained in the bill adopted by the House Transportation and Infrastructure Committee (T & I) in this session of Congress. Such a provision would have much greater impact in the context of expanded opportunities for tolling and user-based fees at the state and local levels. We are also are concerned that certain provisions incorporated into MAP-21 could discourage states from partnering with the private sector and from developing innovative tools to attract private capital to transportation investment, for fear of losing a percentage of federal funding. These provisions would also eliminate the option to use private activity bonds (PABs) to finance leased highway projects and would substantially lengthen depreciation timetables for long-term highway leases, making them less attractive to investors. While we respect the intent to protect the public interest that motivated these provisions, we are concerned that, as currently drafted, they do not respect the ability of states and localities to make such determinations of the public interest on behalf of their citizens and would make it more difficult to attract important new sources of investment capital for transportation infrastructure. With the federal government apparently less able or less willing to provide funds to states and localities for surface transportation, we hope that the scope of the conference committee’s work will allow you to adopt a report that will expand the flexibility and capacity of states and localities to address their funding and investment challenges. Old obstacles should be dismantled, and no new barriers should be erected. If states and metropolitan regions are going to be asked to do more in transportation, and if more of the funding and investment responsibilities are to devolve to them, it is essential that this legislation remove the restrictions to their capacity to innovate. Such provisions in the final legislation can be central elements, in advancing innovation, progress, and global competitiveness.

### AT: No Money

#### Various state funding mechanisms solve

Robert Puentes, affiliated professor with Georgetown University's Public Policy Institute, Senior Fellow at the Brookings Institution, 4-11-2012, “New Approaches for Infrastructure Finance: State and Local Perspective,” http://www.brookings.edu/research/testimony/2012/04/11-infrastructure-finance-puentes

Transit projects in Denver, New Mexico, and the Salt Lake City area are all substantially financed by voter-authorized payroll or sales tax increases and epitomize the new spirit of bottom-up initiative. In metropolitan Phoenix, voters approved a proposition in 2004 that extended a half-cent sales tax for regional transportation for another 20 years. That bit of local effort will generate over $11 billion over time to expand regional transit service but, like Los Angeles' Measure R, it will also dedicate billions for freeway upgrades, additional lanes, and improved interchanges, including substantial improvements to the national interstate system. Other major metro areas like Las Vegas, Charlotte, St. Louis, Oklahoma City, Seattle, and Milwaukee have also gone to their voters for approval of ballot initiatives to fund a mix of light rail and bus lines, highway projects, commuter rail, and corridor preservation. A coalition of business and civic leaders in the Dallas Metroplex is pushing the state legislature to give metros in Texas the authority to do the same. In short, metropolitan areas across the country are laboring hard to keep up with system maintenance, enhancement, and expansion needs-even along national corridors-on which they are investing substantial local resources. At the Brookings Metropolitan Policy Program we are working with a set of high level civic, corporate, political, and philanthropic leaders across the U.S. on dedicated policy and research agenda that describes both the opportunities and challenges in financing the next generation of U.S. infrastructure investments. By doing so we hope to "crack the code" and lay out a federalist policy and practice agenda to expedite implementation, unlock the capital, and create jobs and economic value in the U.S.

#### State innovations solve funding shortfalls

Benedict Jimenez Assistant Professor, School of Public Affairs and Administration, Rutgers, and Michael Pagano, Dean, CUPPA and Professor Ph.D., Government at the University of Illinois, 3-18-2012, What Factors Affect Management Quality? “State Infrastructure Management and the Government Performance Project”, http://pwm.sagepub.com.proxy.lib.umich.edu/content/17/2/124.full.pdf+html

Not one of the fiscal condition indicators had statistically significant effects on the GPP grades (contrary to Hypotheses 10 through 12). Other possible measures of state fiscal condition, such as short-term end-of-year debt, and changes in tax revenues, or 1- to 2-year lags of these different measures, were introduced in different specifications of the model, but the results were not encouraging. The analysis failed to provide evidence to support the hypothesis that access to sufficient resources is a sine qua non for implementing management reforms. This is contrary to studies which find that slack resources matter for the adoption of innovative management practices in public organizations (Berry, 1994; de Lancer Julnes, & Holzer, 2001) and consistent with Tolbert, Mossberger, and McNeal’s (2008) conclusion that slack resources are not critical for state government officials’ decision to implement management innovations.

### AT: Uncertainty

#### State legislature and partnerships solve certainty

Robert Puentes, affiliated professor with Georgetown University's Public Policy Institute, Senior Fellow at the Brookings Institution, 4-11-2012, “New Approaches for Infrastructure Finance: State and Local Perspective,” http://www.brookings.edu/research/testimony/2012/04/11-infrastructure-finance-puentes

Increasingly, public infrastructure investment is taking place through innovative finance tools, revolving loan funds, trusts, and so-called "banks." Most of these offer direct loans at low interest rates to public and private entities, while some also offer grants, loan guarantees, bonds, and other financial instruments. According to forthcoming Brookings research, since 1995 thirty-three states have used infrastructure banks and funds to invest nearly $7 billion in over 900 different projects. These projects range from local road maintenance and highway construction to emergency relief for damaged infrastructure. The structure of the banks and projects in which they invest reflect the diversity of needs and resources across the U.S.[5] On the local level, Mayor Rahm Emanuel recently announced the creation of the Chicago Infrastructure Trust (CIT) as a market-oriented institution that attracts private capital interested in steady returns and makes investment decisions based on merit and evidence rather than politics. Like California's I-Bank it cuts across different types of infrastructure such as transportation and telecommunications, and like Connecticut's Green Bank it emphasizes the generation, transmission, and adoption of alternative energy. The CIT will be capitalized through direct investments from private financing organizations some of which have already expressed interest that could reach $1 billion or more in total investment capacity. The Chicago plan highlights an important point with respect to differences among states and municipalities in the U.S. today. While some states and cities are ambitiously pursuing innovative sources of infrastructure finance-such as partnerships with private and foreign investors-many others are not. For example, only 24 states undertook at least one public/private partnership (PPP) transportation project since 1989. Florida, California, Texas, Colorado, and Virginia alone were responsible for 56 percent of the total amount of all U.S. transportation PPP projects during this time.[6] So why are some states more active in attracting private infrastructure financing? No doubt this is partly based on the unique conditions, traditions and cultures in certain places. But there are also a number of other, more practical, reasons. For one, it is difficult to attract private interest in public projects if investors do not know what kinds of projects are available. Latin American countries regularly pull together trade shows to showcase opportunities for Bus Rapid Transit projects, for example. Partly to address this problem in the U.S., California, Oregon, and Washington are partnering on something called a West Coast Infrastructure Exchange as a platform to spotlight and catalog specific projects, opportunities, and grow the market for private infrastructure firms to invest in domestic infrastructure. Next, other than the obvious legal authority that provides the necessary statutory allowance to get into contracts with a range of partners, state legislation is also essential to send a strong signal that a state is open to private and foreign involvement in infrastructure financing and delivery. It provides predictability for the private sector engaging in a partnership with the public sponsor. On the other hand, the lack of state PPP legislation can prove a real hindrance to the development of the PPP market. The 2007 failed $12.8 billion bid for the lease of Pennsylvania Turnpike would have benefited from having state PPP legislation in place before the negotiation began. Thirty-one states have PPP enabling legislation for highways, roads, and bridges, and 21 have PPP legislation for transit projects. Finally, many states simply lack the technical capacity and expertise to consider such deals and fully protect the public interest. To address this problem, countries, states, and provinces around the world have created specialized institutional entities-called PPP units-to fulfill different functions such as quality control, policy formulation, and technical advice. Today no less than 31 countries have a PPP unit at the national or subnational level. In the U.S., three states (Virginia, California, and Michigan) have established dedicated PPP units. Lastly, I want to briefly describe how metropolitan areas around the country are increasingly acting on their own to envision, design, and finance the next generation transportation system in America. Those places-especially in the West-are taxing themselves, dedicating substantial local money, and effectively contributing to the construction of the nation's critical infrastructure system.[7]

### AT: Federal Key

#### Federal government practices trickles down

Christopher Koch, President & CEO of the World Shipping Council (Remarks at the 6th Annual Trans-Pacific Maritime Conference, “Government Policy and Action Regarding Improvement of the Nation’s Intermodal Transportation Infrastructure,” World Shipping Council, 3-6-2006, http://www.worldshipping.org/pdf/transpacific\_maritime\_conference\_paper\_march\_2006.pdf

At the same time, there are many examples of how freight transportation projects can work effectively when the private sector works closely state DOTs and local authorities. For example: • The Chicago Region Environmental and Transportation Efficiency Program better known as the CREATE project is one of the most extensive public-private partnerships underway. It is a $1.5 billion project involving the State of Illinois, the City of Chicago, and major freight and passenger railroads serving Chicago. It’s plan calls for separation of track and highways to speed vehicle travel and reduce congestion for motorists; updating track connections and expanding rail routes; and, adding separate, passenger-only tracks in key locations to remove bottlenecks that have increased freight transit times for decades. Although this has clearly been a problem for government and its citizens for some time, it took the active engagement of the private sector to finally deliver an actionable solution plan. During a recent discussion on this topic in Washington, DC, an official from the Illinois DOT was asked how IDOT made the “CREATE” intermodal project in Chicago work. His response was that IDOT’s job had been made much simpler because the railroads had provided sophisticated modeling on traffic flows, recommended solutions, and investment dollars ready to spend. The railroads approached IDOT to say, “We think we have a solution, but we need your help to make it work.” The Illinois DOT then went to work to find additional funding from state, local and federal sources and modify its transportation plans to incorporate the project.9 The activity associated with the development of the new APM Terminals facility in Portsmouth, Virginia is a series of public-private partnerships, all carefully linked together. The city of Portsmouth faced revenue shortfalls and had been trying for decades to develop a 568-acre riverfront parcel with deepwater access – then known as the Cox property. The Virginia Port Authority identified in 2000 that it would have a capacity shortfall by 2010 in its existing facilities. So in 2001, A.P. Moller-Maersk purchased the Cox property with the intention of developing it as a primary East Coast shipping hub. In 2004 the company, together with the governor, Congressional, and local representatives jointly announced plans not only for APM Terminals to spend one half billion private capital dollars to construct the terminal, but for the state to expand road access to the facility; and for both the state and federal governments to support rail expansion. The latter ultimately led to the development of the Heartland Corridor project – a $266 million project that will remove height impediments along rail track from Virginia to Ohio enabling the use of double-stack trains, as well as extend the rail line directly into the new facility and adjust the capacity of the roads that feed the railroad and the terminal. Most of the funding is coming from the private sector, and the federal government contributed $143 million in the last highway bill; Virginia originally approved $53.4 million for roads and more is proposed. Collectively, these projects will provide the national economy with additional freight capacity; the local Virginia economy with more jobs and more tax revenue; and, reduce the environmental impact of freight movement to communities all along the Heartland Corridor route by taking more trucks off the highways. • The $2 billion Alameda Corridor project remains one of the best known examples of a public-private partnership in part because it involved two highly competitive railroads, two ports, and local, state and federal governments – all who came together to find a solution that would expand port capacity, provide for more efficient rail freight movements, reduce noise and delays on local streets and highways; improve safety, and achieve significant reductions in pollution from vehicles and locomotives. The complexity of the “partners” involved and the importance of sustaining public benefit resulted in the creation of a new local government entity – the Alameda Corridor Transportation Authority – to collect revenue from users and continue to operate the new throughway in the manner in which it was intended. (More information about rail public-private partnerships can be found at: http://www.aar.org/ViewContent.asp?Content\_ID=2800 ) Highway transportation infrastructure solutions have to be implemented location by location by the owners of the system, either individually or collectively, in cooperation with the users of the system. That means state governments, MPOs and COGs must work closely with the shippers and transportation service providers operating within the state. This is at the heart of solution planning. The federal government will continue its policy work, will continue to provide funding to the extent that the NHTF allows, will continue to manage federal financing programs like those created for special projects or for grants and loans, will be a resource for the states and local governments in addressing various financing options available and how to use them, and can help facilitate discussion among states for projects that cross state borders and serve the national interest -- the concept behind the “Projects of Regional and National Significance” program. But in the end, the solutions will be driven at the state and local level, and those interested in improving the efficiency of moving freight in a region need to develop close working relationships with state and local planners.

#### Federal action decreases efficiency – states solve

Gabriel Roth, civil engineer and transportation economist, research fellow at the Independent Institute, “Federal Highway Funding,” Cato, June 2010, http://www.downsizinggovernment.org/transportation/highway-funding

Overview The federal government plays a large role in transportation policy through subsidy programs for state governments and a growing array of regulatory mandates. Modern federal highway aid to the states began in 1916. Then the interstate highway system was launched in 1956 and federal involvement in transportation has been growing ever since. Today, the interstate highway system is long complete and federal financing has become an increasingly inefficient way to modernize America's highways. Federal spending is often misallocated to low-value activities, and the regulations that go hand-in-hand with federal aid stifle innovation and boost highway costs. The Department of Transportation's Federal Highway Administration will spend about $52 billion in fiscal 2010, of which about $11 billion is from the 2009 economic stimulus bill.1 FHWA's budget mainly consists of grants to state governments, and FHWA programs are primarily funded from taxes on gasoline and other fuels.2 Congress implements highway policy through multi-year authorization bills. The last of these was passed in 2005 as the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Congress will likely be reauthorizing highway programs in 2011, and it is currently pursuing many misguided policy directions in designing that legislation. One damaging policy direction involves efforts to reduce individual automobile travel, which will harm the economy and undermine mobility choice. Another damaging policy direction is the imposition of federal "livability" standards in transportation planning. Such standards would federalize land-use planning and pose a serious threat to civil liberties and the autonomy of local communities. Finally, ongoing federal mandates to reduce fuel consumption have the serious side effect of making road travel more dangerous. The federal government pursues these misguided goals by use of its fiscal powers and regulatory controls, and by diverting dedicated vehicle fuel taxes into less efficient forms of transportation. This essay reviews the history of federal involvement in highways, describing the evolution from simple highway funding to today's attempts to centrally plan the transportation sector. It describes why federal intervention reduces innovation, creates inefficiencies in state highway systems, and damages society by reducing individual freedom and increasing highway fatalities. Taxpayers and transportation users would be better off if federal highway spending, fuel taxes, and related regulations were eliminated. State and local governments can tackle transportation without federal intervention. They should move toward market pricing for transportation usage and expand the private sector's role in the funding and operation of highways.

### AT: Federal Key

#### Federal involvement escalates costs and causes delays

Gabriel Roth, civil engineer and transportation economist, research fellow at the Independent Institute, “Federal Highway Funding,” Cato, June 2010, http://www.downsizinggovernment.org/transportation/highway-funding

3. Federal Intervention Increases Highway Costs The flow of federal funding to the states for highways comes part-in-parcel with top-down regulations. The growing mass of federal regulations makes highway building more expensive in numerous ways. First, federal specifications for road construction standards can be more demanding than state standards. But one-size-fits-all federal rules may ignore unique features of the states and not allow state officials to make efficient trade-offs on highway design. A second problem is that federal grants usually come with an array of extraneous federal regulations that increase costs. Highway grants, for example, come with Davis-Bacon rules and Buy America provisions, which raise highway costs substantially. Davis-Bacon rules require that workers on federally funded projects be paid "prevailing wages" in an area, which typically means higher union wages. Davis-Bacon rules increase the costs of federally funded projects by an average of about 10 percent, which wastes billions of dollars per year.27 Ralph Stanley, the entrepreneur who created the private Dulles Greenway toll highway in Virginia, estimated that federal regulations increase highway construction costs by about 20 percent.28 Robert Farris, who was commissioner of the Tennessee Department of Transportation and also head of the Federal Highway Administration, suggested that federal regulations increase costs by 30 percent.29 Finally, federal intervention adds substantial administrative costs to highway building. Planning for federally financed highways requires the detailed involvement of both federal and state governments. By dividing responsibility for projects, this split system encourages waste at both levels of government. Total federal, state, and local expenditures on highway "administration and research" when the highway trust fund was established in 1956 were 6.8 percent of construction costs. By 2002, these costs had risen to 17 percent of expenditures.30 The rise in federal intervention appears to have pushed up these expenditures substantially.

### AT: 50 State Fiat Bad

#### CP key to education

Collin Peppard, National Resource Defense Council, 2010, “Getting Back on Track: States, Transportation Policy, and Climate Change,” pg online @ http://switchboard.nrdc.org/blogs/cpeppard/getting\_back\_on\_track\_states\_t.html

In the past, this blog has focused on what the federal government must do to address this problem. As important as the federal transportation bill is, we also must remember that the 50 states are in a unique position to bring down transportation-related GHG emissions. States have a major role in making transportation policy decisions, and are responsible for directing massive amounts of funding to transportation projects across the country.

#### Relevant policy choice

Robert Puentes, affiliated professor with Georgetown University's Public Policy Institute, Senior Fellow at the Brookings Institution, February 2011, “State Transportation Reform: Cut to Invest in Transportation to Deliver the Next Economy,” Brookings- Rockefeller Project on State and Metropolitan Innovation

In the absence of federal action, the debate on transportation policy will shift to the state level. Few areas of policy are as critical to states’ long term economic health. Transportation is also a relatively significant portion of most states’ budgets. At 7.9 percent of general state expenditures, “transportation” generally ranks third among state spending categories after only “education” and “public welfare,” though this varies quite a bit among the states (Alabama ranks last at 3.1 percent; Nevada ranks first at 16.7 percent. Missouri is the median at 10.7 percent).1