# States Counterplan

## 1NC

#### Text: The fifty states and relevant territories should \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

#### Devolution to the states solves- creates efficient labs of innovation which solves the case

Utt 2012 (Ronald, is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. Utt is a veteran of budgetary politics in Washington, having served as director of the housing finance division at the Department of Housing and Urban Development, and senior economist at the Office of Management and Budget, Past director of economic research at the National Association of Real Estate Investment Trusts. Associate chief economist of the U.S. Chamber of Commerce, “Turn Back” Transportation to the States” Feb 7th http://www.heritage.org/research/reports/2012/02/turn-back-transportation-to-the-states) AS

The federal transportation program has lost its way: It is less and less about transportation and mobility and, for the most part, has evolved into a costly spending program distributing financial rewards to a growing number of influential constituencies on a pay-to-play basis. One reform proposal that could substantially change this is legislation to “turn back” the federal highway program to the states, where it once was lodged. Arguing that the program was created to build the interstate highway system—a goal that was met in the early 1980s—turnback advocates believe it is time to declare victory and shift the resources back to the states, recognizing that today’s surface transportation problems are largely local or regional in nature and that a Washington-based, centrally planned, command-and-control program has little to offer in the way of solutions. Also, as the record of the past few authorizations reveals, a Washington-based program is more vulnerable to a wheeling-and-dealing political process that has contributed to many of the existing diversions and regional inequities as elected officials pander to influential constituencies at the expense of the taxpaying motorist. Under the turnback proposals that have been introduced in Congress since 1997, the federal government would incrementally shift to the states, over a period of five or six years, both the highway responsibilities and the financial resources to fulfill them. Most proposals would accomplish this by reducing the federal gas tax by annual increments—say four cents per year—and allowing the state to add that amount to the gas tax that the state collects on its own. The total tax paid by the motorist stays the same, but the allocation of that revenue shifts to the states year by year until the collection of all 18.3 cents per dollar of the federal fuel tax is shifted to the states and all federal collections cease.[3] Currently, the most direct legislation to implement turnback is the Transportation Empowerment Act, introduced in the Senate as S. 1164 by Senator Jim DeMint (R–SC) and in the House as H.R. 3264 by Representative Tom Graves (R–GA). Under the act, states would still be responsible for interstate maintenance and improvement, as they are today, but would now be free to do it in a way that best suits their interests, whether through tolls, partnerships, privatization, competitive contracting, or some combination of means. Now free of the federal one-size-fits-all program, states could tailor their spending and investment strategies to their particular needs, not those of a Washington bureaucracy or the privileged constituencies appended to it like barnacles on an aging ship. States would also be free of the costly and time-consuming regulatory mandates that the federal program now imposes on their transportation programs. Finally, as a consequence of these improvements and the more efficient use of resources that turnback would yield, transportation service for the traveling public would improve at a much lower cost than the attainment of that same measure of improvement would have required under the old system. At the same time, and once an improved economy restores fuel tax revenues to their long-run trend, donor states that lose money under the current system would be made whole, while donee states would no longer benefit from undeserved subsidies.

## 2NC Solvency- Generic

#### Federal action limits the state’s ability to act as labs of innovation- CP solves the aff

Edwards 2011 (Chris, Joint Economic Committee United States Congress “ Infrastructure projects to fix the economy? Don’t bank on it. ” October 21 http://www.washingtonpost.com/opinions/infrastructure-projects-to-fix-the-economy-dont-bank-on-it/2011/10/18/gIQAgtZi3L\_print.html AS)

When the federal government is paying for infrastructure, state officials and members of Congress fight for their shares of the funding, without worrying too much about efficiency, environmental issues or other longer-term factors. The solution is to move as much infrastructure funding as we can to the state, local and private levels. That would limit the misallocation of projects by Congress, while encouraging states to experiment with lower-cost solutions. It’s true that the states make infrastructure mistakes as well, as California appears to be doing by subsidizing high-speed rail. But at least state-level mistakes aren’t automatically repeated across the country. The states should be the laboratories for infrastructure. We should further encourage their experiments by bringing in private-sector financing. If we need more highway investment, we should take notes from Virginia, which raised a significant amount of private money to widen the Beltway. If we need to upgrade our air-traffic-control system, we should copy the Canadian approach and privatize it so that upgrades are paid for by fees on aviation users. If Amtrak were privatized, it would focus its investment where it is most needed — the densely populated Northeast. As for Reclamation and the Corps, many of their infrastructure projects would be better managed if they were handed over to the states. Reclamation’s massive Central Valley irrigation project, for example, should be transferred to the state of California, which is better positioned to make cost and environmental trade-offs regarding contentious state water issues. Other activities of these two agencies could be privatized, such as hydropower generation and the dredging of seaports. The recent infrastructure debate has focused on job creation, and whether projects are “shovel ready.” The more important question is who is holding the shovel. When it’s the federal government, we’ve found that it digs in the wrong places and leaves taxpayers with big holes in their pockets. So let’s give the shovels to state governments and private companies. They will create just as many jobs while providing more innovative and less costly infrastructure to the public. They’re ready.

#### Federal action is not the answer, states more efficient at resource allocation

Holler 2012 (Dan Communications Director for Heritage Action for America, Found in Paying For It, Transportations Experts Blog, Fawn Johnson, April 4th http://transportation.nationaljournal.com/2012/04/paying-for-it.php#2190872) AS

When it comes to the problem of how to pay for our nation’s transportation needs, the temptation in Washington is to view Washington as the solution. After tens of billions in Highway Trust Fund bailouts and nine short-term extensions, it is clear Washington does not hold the answer. The real answer is outside the beltway. Former Pennsylvania Governor Ed Rendell recently scoffed at the idea of looking beyond Washington for transportation funding solutions, saying proponents of such a move “haven’t looked at any of the state budgets recently.” But the Governor misses the point. It is not that states are awash in cash (the federal government isn’t either), but rather that states are much more efficient. Last year, Indiana Governor Mitch Daniels explained his state “can build in 1/2 the time at 2/3 the cost when we use our own money only and are free from the federal rulebook.” Literally just outside the Washington Beltway, a private company is adding four high-occupancy toll lanes for half the cost the government projected, and the lanes are better designed,

#### Turning back control to the state governments ensures control over fuel tax allocation- solves the aff

Utt 2005 (Ronald, is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. Utt is a veteran of budgetary politics in Washington, having served as director of the housing finance division at the Department of Housing and Urban Development, and senior economist at the Office of Management and Budget, Past director of economic research at the National Association of Real Estate Investment Trusts. Associate chief economist of the U.S. Chamber of Commerce, “Congress Gets Another Chance to Improve America's Transportation: Should It Be Its Last?” March 7th The Heritage Foundation, http://www.heritage.org/research/reports/2005/03/congress-gets-another-chance-to-improve-americas-transportation-should-it-be-its-last AS)

As inequitable as highway spending is, however, the allocation of federal transit spending-which comes out of the "transit account" in the highway trust fund-is even worse, as the table's fourth column reveals. Under current law, 2.86 cents of the 18.3 cents in federal fuel taxes collected on each gallon of gasoline is deposited into the transit account of the highway trust fund and then allocated around the country to finance transit projects, such as buses, light rail, subways, and trolley cars. Note that many highway donor states are also transit donor states, receiving less for transit projects than they paid into the transit account: Georgia (with a transit funding ratio of 0.637), Florida (0.598), Oklahoma (0.237), Texas (0.573), and Ohio (0.553) are just a few of the many donor states that get shortchanged twice. Just as many of the highway donor states are also transit donors, many of the highway donee states are also transit donees. For example, Pennsylvania, a highway donee, got back a 24.9 percent greater share in 2003 than it paid into the transit fund, while Connecticut received 61 percent more and New York received a staggering 233 percent more. In response to growing complaints from donor states about the program's pervasive unfairness, Congress has proposed a number of deceptive measures that pretend to accommodate the donor states with an "equity bonus." By adding money back from a special reserve account to every state's allocation (regardless of whether the state is a donor or donee), Congress attempts to achieve the mathematically impossible result of providing all states with an above-average return from the trust fund. While some states were fooled by this exercise in 1998, many donor-state Senators and Representatives objected to it during last year's failed effort to reauthorize the program. They should do so again. With donors comprising about half of the states in the nation, their elected officials account for a substantial bipartisan voting bloc in Congress, and this year they should use their power to insist that a permanent and meaningful remedy to these pervasive regional equities be a part of any highway reauthorization bill. One way to do this is to change the flawed formulas that govern the program, but an even better way (described in more detail later in this paper) would be to begin the process of "turning back" federal highway funding to the states and allowing each state to retain the federal fuel tax receipts collected within its borders.[3] Moreover, while the existing system of subsidies for those mountain and plains states with low population densities should be maintained, there is no reason why motorists in Texas, Georgia, and other donor states should be subsidizing the wealthier citizens of Connecticut, New York, and Pennsylvania.[4] Whatever way is chosen, donor states should insist that the improvements go beyond the cosmetic changes of previous legislation and address the program's inequities in a meaningful and permanent way.

#### Devolution is the BEST way to solve transportation investment

Musser 2012 (Brandon, Graduate student at the Central European University, Economics department, Economic Policy in Global Markets, Master’s Thesis, “The Effects of Fiscal Decentralization on Highway and Transportation Spending in the United States” April 6th http://dw.crackmypdf.com/0996971001342193466/musser\_brandon.pdf AS)

The basic principle of fiscal decentralization is, according to Oates, “the presumption that the provision of public services should be located at the lowest level of government encompassing, in a spatial sense, the relevant benefits and costs” (pg 1122).The rest of the literature on fiscal decentralization stands largely in agreement, arguing that decentralization is the most effective method of service delivery “when the benefits of an infrastructure service are mostly local and there is little scope for economies of scale, as in solid waste management, urban transit, water supply, and roads maintenance” (Estache and Sinhapg 1).Unfortunately, there is very little theoretical literature which attempts to explain how fiscal decentralization might affect spending on individual categories of infrastructure. However, it is logical to expect that fiscal decentralization will increase aggregate expenditure on infrastructure services if, collectively, “subnational governments rank infrastructure as a higher priority than did the federal government” (pg 2).

## ----Ext. Labs of Innovation

#### One size fits all federal approach fails- turning back control to the states allows for innovation.

Utt 2005 (Ronald, is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. Utt is a veteran of budgetary politics in Washington, having served as director of the housing finance division at the Department of Housing and Urban Development, and senior economist at the Office of Management and Budget, Past director of economic research at the National Association of Real Estate Investment Trusts. Associate chief economist of the U.S. Chamber of Commerce, “Congress Gets Another Chance to Improve America's Transportation: Should It Be Its Last?” March 7th The Heritage Foundation, http://www.heritage.org/research/reports/2005/03/congress-gets-another-chance-to-improve-americas-transportation-should-it-be-its-last AS)

The Fundamentalists. By contrast, fundamentalists believe that the flaws in the federal highway program are fundamental, deeply entrenched, and beyond meaningful remedy either through changes in existing law or through additions to it, such as those described above. While most fundamentalists also support the types of reforms advocated by incrementalists, they believe that these reforms by themselves would merely compensate for and offset the existing deficiencies that would largely be left intact by the incrementalists. Worse, many believe that these deficiencies would be likely to infect the new improvements, such as diverting toll revenues to transit, or other non-road uses, as is now occurring in New York City and will soon be imposed in Northern Virginia on the Dulles Toll Road.[7] In addition, fundamentalists question the wisdom of leaving much of the existing system intact, arguing that this perpetuates the existing waste and misallocation of the $40 billion in fuel tax revenues that would still flow into the system each year under the incrementalists' plan. With fundamental reform, these now-wasted resources can be redirected to meaningful congestion relief and road improvements, thereby obviating the need for some of the additional resources raised by the tolls and other new revenue sources advocated by the incrementalists. Chief among the reforms advocated by the fundamentalists is the "turnback" of some or all of the federal highway program to the states. Arguing that the program was created to build the interstate highway system-a goal that was met in the early 1980s-fundamentalists believe it is time to declare victory and shift the resources back to the states in recognition that today's surface transportation problems are largely local or regional in nature and that a Washington-based, centrally planned, command and control program has little to offer by way of solutions. Moreover, the politicization of the program has contributed to many of the diversions and regional inequities as elected officials pander to influential constituencies at the expense of the motorists who fund the system with their taxes and suffer the consequence of program waste and misallocation. Under turnback proposals that have been introduced in Congress over the past 10 years, the federal government would incrementally shift both the highway responsibilities and the financial resources to fulfill them to the states. Most proposals would accomplish this by reducing the federal fuel tax by annual increments-say 4 cents per gallon per year-and adding that amount to the gasoline tax that the state collects on its own. In this way, the total tax paid by the motorist would stay the same, but the allocation of that revenue would shift to the states year by year until the collection of all 18.3 cents of the federal fuel tax is shifted to the states and all federal collections cease. States would still be responsible for interstate maintenance and improvement, as they are today, but would now be free to do it in a way that best suits their interests, whether through tolls, partnerships, privatization, competitive contracting, or some combination. Now free of the federal one-size-fits-all program, states would be better able to tailor their spending and investment to their particular needs, not those of a Washington bureaucracy or the privileged constituencies that have appended themselves to it like barnacles on an aging ship. As a consequence of these improvements and the more efficient use of resources that turnback would yield, transportation service for the traveling public would improve at a much lower cost than the attainment of that same measure of improvement would have required under the old system. At the same time, donor states that consistently lose money under the current system would be made whole.

#### States set better model- they can act as laboratories of innovation

Goff, 2012, Research Associate at the Thomas A. Roe Institute for Economic Policy Studies, ( Emily, May 24, “State Can't Afford "Free" Rail Money”, <http://www.heritage.org/research/commentary/2012/05/state-cant-afford-free-rail-money>)

The federal-state transit courtship ritual is by now a well-rehearsed dance. Washington’s alluring checkbook tempts states enough that they commit matching funds to projects they otherwise would not even dream of pursuing on their own. Take high-speed rail and other passenger rail projects—they are expensive to build and maintain, and states are faced with many other pressing infrastructure needs but limited resources to pay for them. So, “free” money from Washington seems too good to be true. Then come project delays and construction cost overruns. Federal grants also have strings attached, such as union wage requirements, which send costs skyward. Soon, the price tag of an HSR project is substantially more than what states signed up for. Once the HSR line is built, another pesky fact materializes: Actual rail ridership rates do not necessarily equal capacity estimates. Poor ridership translates into large funding gaps, and befuddled states then have trouble covering operating expenses, let alone capital costs. Taxpayers are on the hook subsidizing the rail line long after the federal money train has left the station. For example, passenger rail lines in Japan and the United Kingdom required significant government subsidies, which prompted these countries to begin privatizing the rail systems. In the United States, new Governors of Wisconsin and Ohio rejected federal funds for HSR projects once it became clear that HSR’s up-front costs and long-term financial liabilities far outweighed any potential benefits. A glaring flaw in the prevailing approach to transportation is that it is increasingly Washington-centered; bureaucrats make decisions about projects hundreds of miles away, in which they have little or no vested interest. This trend is based on the belief that Washington knows best, and therefore every cent of every transportation dollar must flow through Washington. By this logic, President Obama’s so-called livability proposals, such as building street cars and forcing high-density living arrangements, can be cast as a wise use of transportation dollars. In reality, such transportation technology is 19th century nostalgia wrapped in 21st century packaging. This approach also generates misleading incentives for states to commit limited resources to costly projects like HSR, which do not deliver on promises to mitigate road congestion and improve air quality. Instead, they threaten to stain state budget ledgers with unsightly amounts of red ink. Rather than hoarding transportation funds and keeping decision-making in Washington, Congress should give states more control over how to spend the transportation dollars their motorists pay in federal gas taxes. Doing so will pave the way for turning over responsibility for transportation to the states, who know their transportation priorities much better than Washington. With full devolution, states would no longer see funds diverted to transit and enhancement projects they may not find useful. Instead, they would be able to identify and meet their unique infrastructure needs efficiently and cost-effectively. When in a hole, sometimes it is hard to put the shovel down and quit digging. Governor Brown’s recent statement, “I am a buoyant optimist…We’re going to build high-speed rail,” is a case in point. If the Governor’s words ring true, the unfortunate California taxpayers will have to pay for a transit boondoggle they can ill afford. The only consolation will be that California serves as lesson for other states—in what not to do in budgeting and transportation.

## ----Ext. Efficient Allocation

#### States can implement transportation policy efficiently- any failure at the federal level gets duplicated 50 times amongst the states

Snider and Everett 2012 (Adam a transportation reporter for POLITICO Pro. Before joining POLITICO, he covered transportation issues for nearly four years at BNA, where his work won the company’s Beltz Award for Editorial Excellence. and Burgess Transportation reporter for POLITICO Pro. He previously was a Web producer, helping run POLITICO’s Twitter and Facebook accounts, and a contributor to the On Media blog, GOP paves way for states to retake road funding, March 19th http://www.politico.com/news/stories/0312/74196.html) AS

Congress may be on the road to re-upping the transportation bill, but there’s still a cadre of lawmakers who say it’s not too late to get the federal government out of the road-building and gas tax business. If anything, some Republicans say they are excited about finally getting some votes on what has long been a conservative dream. Sen. Jim DeMint (R-S.C.) got a vote last week on his amendment to the Senate-passed bill that would send many transportation policy and funding decisions back to the states. The amendment was the first time in years senators got a serious chance to weigh in on the issue, and 30 senators (all Republicans) supported the long-shot attempt. A second devolution offering from Sen. Rob Portman (R-Ohio) failed but also got 30 votes. In the House, GOP Reps. Tom Graves of Georgia, and Jeb Hensarling and Kevin Brady, both of Texas, hope to vote on a similar amendment whenever the House takes up a highway bill. “We’re going to continue the debate in the House,” Graves told POLITICO. “It’s going to be a new debate about how you fund transportation. Do you continue [a program] that adds to the deficit or do you do one that empowers the states? Conservatives see DeMint’s vote and Graves’s offering as good starting points, reminiscent of the long-fought battle over earmarks, now banned for the 112th Congress. Dan Holler, communications director of Heritage Action for America, said the conversation has been changed already. “A floor of 30 senators is a great place to start,” he said. Sen. Barbara Boxer (D-Calif.), who took the lead on both selling and writing the two-year Senate bill, acknowledged, “That vote was too close for my liking.” DeMint says his amendment would cut government redundancy while keeping services intact and efficiently returning spending to the states. “Every time we have a bureaucracy and an administration [in Washington], every state duplicates that. Fifty state highway departments following federal rules and then their own,” DeMint said in an interview. “We can begin to downsize that. So the point is, if we ever want to balance our budget, the way to do it is not to just cut a little, but off every federal function.”

#### Devolution solves the aff- allows the states to allocate resources efficiently.

Goff 2012 (Emily, Research Associate Thomas A. Roe Institute for Economic Policy Studies, State Can't Afford "Free" Rail Money, The Herritage Foundation, May 24th http://www.heritage.org/research/commentary/2012/05/state-cant-afford-free-rail-money AS)

A glaring flaw in the prevailing approach to transportation is that it is increasingly Washington-centered; bureaucrats make decisions about projects hundreds of miles away, in which they have little or no vested interest. This trend is based on the belief that Washington knows best, and, therefore, every cent of every transportation dollar must flow through Washington. By this logic, President Obama's so-called livability proposals, such as building street cars and forcing high-density living arrangements, can be cast as a wise use of transportation dollars. In reality, such transportation technology is 19th century nostalgia wrapped in 21st century packaging. This approach also generates misleading incentives for states to commit limited resources to costly projects like HSR, which do not deliver on promises to mitigate road congestion and improve air quality. Instead, they threaten to stain state budget ledgers with unsightly amounts of red ink. Rather than hoarding transportation funds and keeping decision-making in Washington, Congress should give states more control over how to spend the transportation dollars their motorists pay in federal gas taxes. Doing so will pave the way for turning over responsibility for transportation to the states, who know their transportation priorities much better than Washington. With full devolution, states would no longer see funds diverted to transit and enhancement projects they may not find useful. Instead, they would be able to identify and meet their unique infrastructure needs efficiently and cost-effectively

#### Devolution solves – removes unnecessary waste

Horowitz, 5/3/2012 (Daniel, <http://www.redstate.com/dhorowitz3/2012/05/03/devolution-of-transportation-authority-is-solution-to-earmark-problem/> “Devolution of Transportation Authority is Solution to Earmark Problem”, cnm)

There is no doubt that many localities are in need of some infrastructure updates. But there is an obvious solution to this problem. Let’s stop pooling the gas tax revenue of all 50 states into one pile for the inane and inefficient process of federal transportation policy. Every state, due to diverse topography, population density, and economic orientation, has its own transportation needs. By sucking up all the money into one pile in Washington, every district is forced to beg with open arms at the federal trough. Moreover, a large portion of the transportation funds are consumed by federal mandates for wasteful projects, mass transit, Davis-Bacon union wages, and environmental regulations.¶ ¶ This is why we need to devolve most authority for transportation projects to the states. That way every state can raise the requisite revenue needed to purvey its own infrastructure projects. The residents of the state, who are presumably acquainted with those projects, will easily be able to judge on the prudence of the projects and decide whether they are worth the higher taxes. If they want more airports, mass transit, or bike lanes, that’s fine – but let’s have that debate on a local level.¶ ¶ We have been promoting Tom Graves’s (H.R. 3264) devolution bill for some time in these pages. Since the completion of the interstate highway system, there is complete connectivity between the east and west coasts – the original purpose of the federal highway fund. Graves’s bill would leave a few cents of the gas tax revenue in the fund to cover projects that are still national in scope. The rest would be up to the states; freeing Washington of the paralysis, waste, and fraud that is associated with the lobbyist-driven earmarking process that has defined our transportation policy for far too long

#### Only the states breed competition, efficiency, and avoid monopolies

Edwards, 11 [Chris Edwards, “The Downside of Federal Infrastructure Spending”, CATO Institute, Chris Edwards is the director of tax policy studies at Cato and editor of www.DownsizingGovernment.org. He is a top expert on federal and state tax and budget issues. Before joining Cato, Edwards was a senior economist on the congressional Joint Economic Committee, a manager with PricewaterhouseCoopers, and an economist with the Tax Foundation. Edwards has testified to Congress on fiscal issues many times, and his articles on tax and budget policies have appeared in the Washington Post, Wall Street Journal, and other major newspapers. He is the author of Downsizing the Federal Government and co-author of Global Tax Revolution. Edwards holds a B.A. and M.A. in economics, and he was a member of the Fiscal Future Commission of the National Academy of Sciences., <http://www.downsizinggovernment.org/downside-federal-infrastructure-spending> MF]

My Washington Post op-ed on federal infrastructure yesterday elicited a large and vigorous response. The comments on the WaPo site and emails to my inbox were about 80 percent in opposition to my views. Here are some critiques of my article and my responses: Critique: My view of devolving infrastructure funding to the states is unrealistic because only the federal government has enough “resources” to do big projects. Response: The federal government has no magical source of money. All “federal dollars” ultimately come from taxpayers who live in the 50 states. It is true that the federal government can run larger deficits that state governments, but that’s a reason not to give the Feds responsibility for spending activities because they tend to go hog wild. Critique: Maybe the federal government screws up, but so do state governments and private companies. Response: Of course. But as the op-ed noted, when the Feds screw-up they botch it for the entire country, often for many decades. The federal government is a monopoly, and monopolies breed inefficiency. By contrast, the states compete with each other and learn from each other to an extent. And when private companies screw up repeatedly, they go belly up. Critique: Maybe the federal government screws up, but we should just try to make it work better. Response: The histories of the Corps and Reclamation illustrate patterns of failure for more than a century. And we’ve explored similar patterns with other federal agencies at www.downsizinggovernment.org. Federal problems are often deep-rooted and systematic, and they defy the many well-meaning efforts at reform, such as Al Gore’s “reinventing government” initiative in the 1990s. So it’s time to try something different—like exploring privatization. Critique: We need the federal government for things like the Interstate Highway System because infrastructure crosses state lines. Response: Numerous people made this point regarding my op-ed, but I’m afraid they didn’t put their thinking caps on. Private energy pipelines cross state and international borders, and so do the huge systems of the private freight railroads, such as Union Pacific. Critique: Federal agencies, such as the Corps, often contract-out work to private companies that do the actual construction, so failures like Hurricane Katrina are private failures. Response: Hurricane Katrina represented a failure of government on many levels, as I’ll address in an upcoming essay on the Corps. The American Society of Civil Engineers concluded that “a large portion of the destruction from Hurricane Katrina was caused by …engineering and engineering-related policy failures.” So that’s the fault of the Corps, not private contractors. Anyway, the volume of negative, snarky, and knee-jerk responses to my suggesting that the federal government doesn’t work very well is rather depressing. I criticized Rachel Maddow for “thinking big” about federal spending. But the nation is going to have to “think big” about government reforms to avert the looming federal fiscal disaster. Devolution and privatization offer part of the solution both to reduce debt and to revive U.S. economic growth in coming years.’

#### **State demand based infrastructure solves best – efficient implementation**

O’Toole, 11, senior fellow at the CATO institute, (Randal, May 23rd, “Transportation: Top down or Bottom Up?” <http://www.cato-at-liberty.org/transportation-top-down-or-bottom-up/>)

The real problem with America’s transportation system is not a lack of vision but too many people with visions trying to impose them on everyone else through lengthy and expensive planning processes. A bridge or road that once might have taken five years to plan and build now takes twenty or more, if it ever gets built at all, thanks to all these visions. (Of course, when it comes to expensive rail transit projects, Puentes thinks Congress should waive environmental impact statements and other expensive planning processes.) The real solution is not more top-down planning but a bottom-up system that responds to actual user needs rather than to inside-the-beltway visions. That means funding transportation out of user fees and not out of infrastructure banks, which–no matter how “merit-based” in intent–will alway end up being politically driven. In a bottom-up system, individual transit and highway agencies (or better yet transit and highway companies) would be funded by their users, so they would have incentives to provide and expand service where needed by those users. Such a system would be far more likely to relieve congestion, save energy, and meet Puentes’ other goals. Thanks to our heavily planned and heavily subsidized transit industry, the average urban transit bus uses 80 percent more energy per passenger mile than Amtrak. But that’s not because Amtrak is energy-efficient: the average Amtrak train uses 60 percent more energy per passenger mile than intercity buses. Unlike both Amtrak and urban transit buses, private intercity buses aim to meet market demand, not political demand, so they tend to fill about two-thirds of their seats while Amtrak fills only half and transit buses less than a quarter. Achieving a bottom-up transportation system means getting the federal government out of transportation decision-making. One way would be to have states take over federal gas taxes as proposed by New Jersey Representative Scott Garrett. To the extent that the federal government distributes any transportation funds to states at all, they should be distributed using formulas, not grants, because formulas are much harder to politically manipulate. Ideally, the formulas should give heavy weight to the user fees collected by each state to reinforce, rather than distract from, the bottom-up process. Puentes’ top-down vision will waste hundreds of billions of dollars on little-needed transportation projects while it does little to relieve congestion, save energy, or reduce auto emissions. A bottom-up process will save taxpayers money and increase mobility, which should be the real goals of any transportation policy

#### States best at implementing TII

McGuigan, 2011, award-winning journalist, senior editor at The City Sentinel, and capitol editor for Tulsa Today, (Patrick B, July 29, 2011, CapitolBeakOK: Transportation Federalism -- and Flexibility -- Proposed in New Bill from Coburn, Lankford, <http://lankford.house.gov/index.php?option=com_content&task=view&id=756&Itemid=100023>)

In Oklahoma, a vice president at the Oklahoma Council of Public Affairs (OCPA) immediately applauded the bill's introduction. In his statement, sent to CapitolBeatOK, Sen. Coburn said, “Washington’s addiction to spending has bankrupted the Highway Trust Fund. For years, lower-priority projects like earmarks have crowded out important priorities in our states, such as repairing crumbling roads and bridges. “Instead of burdening states and micromanaging local transportation decisions from Washington, states like Oklahoma should be free to choose how their transportation dollars are spent. I have no doubt that Oklahoma’s Transportation Director Gary Ridley will do a much better job deciding how Oklahoma’s transportation dollars are spent than bureaucrats and politicians in Washington.” Lankford applauded Coburn's leadership in the matter, observing, “This has been one of my top priorities since coming to Congress, and I’m happy to join Senator Coburn in this effort. This bill is a giant step for states by increasing transportation flexibility while improving efficiency. “By allowing states to opt-out of the federal bureaucracy, they will be able to take more control of their own resources. It will free Oklahoma to keep our own federal gas taxes and to fund new projects at our own discretion.” Joel Kintsel, executive vice president at OCPA, told CapitolBeatOK, "I am so proud of the leadership shown by Senator Coburn and Congressman Lankford. Hopefully, this is the beginning of a broader effort by Congress to return to federalism and withdraw from areas of activity rightfully belonging to the States.” Sen. McCain, the 2008 Republican nominee for president, said, “As a Federalist, I have long advocated that states should retain the right to keep the revenue from gas taxes paid by drivers in their own state. This bill would allow for this to happen and prevent Arizonans from returning their hard earned money to Washington. Arizonans have always received 95 cents or less for every dollar they pay federal gas taxes. This continues to be unacceptable, and for that reason I am a proud supported of the State Highway Flexibility Act.” Sen. Vitter asserted, “It’s very apparent how badly Congress can mismanage tax dollars, especially the Highway Trust fund which has needed to be bailed out three times since 2008. The states know their transportation needs better than Congress, so let’s put them in the driver’s seat to manage their own gas tax.” Hatch contended, “The federal government’s one-size-fits all transportation policies and mandates are wasting billions of taxpayer dollars and causing inexcusable delays in the construction of highways, bridges and roads in Utah and across the nation.

## ----Ext. Local Control

#### Local nature of the CP solves for large government one size fits all programs

Glaeser 2012, (Edward Bloomberg View columnist and professor of economics at Harvard, Feb 13 (Web, 2-13-12) http://www.bloomberg.com/news/2012-02-14/spending-won-t-fix-what-ails-u-s-transport-commentary-by-edward-glaeser.html “Spending Won’t Fix What Ails U.S. Infrastructure,” LJ)

DE-FEDERALIZE TRANSPORT SPENDING: Most forms of transport infrastructure overwhelmingly serve the residents of a single state. Yet the federal government has played an outsized role in funding transportation for 50 years. Whenever the person paying isn’t the person who benefits, there will always be a push for more largesse and little check on spending efficiency. Would Detroit’s People Mover have ever been built if the people of Detroit had to pay for it? We should move toward a system in which states and localities take more responsibility for the infrastructure that serves their citizens.¶

#### Local control increases accountability- ensures success

Miller 2009 (John, Virginia Transportation Research Council Office of Intermodal Planning and Investment, Virginia’s Long-Range Multimodal Transportation Plan 2007-2035 INSTITUTIONAL CHANGES IN TRANSPORTATION DECISION MAKING, http://www.virginiadot.org/projects/vtransNew/resources/VTrans2035\_Decisionmaking\_FINAL.pdf AS)

Several articles have noted that greater local involvement can lead to local governments being more directly accountable to citizens. Examples include the use of “quick-take” condemnation authority which may be exercised by local governments (Seefeldt, 1987), the ability to protect local neighborhoods from the threat of through truck traffic (JLARC, 1992), and an ability for local staff to respond immediately to citizen complaints regarding a specific project (Whitley, 2006). A similar advantage has been noted when decentralizing decision authority within an organization. For example, a review of the Texas Department of Transportation noted that that providing substantial authority to district offices (rather than centralizing decisions at the headquarters level) enabled a sharp customer focus and allowed for “timely and least expensive access, contact with the public, and knowledge of local conditions.” (Rylander, 2001).

#### Local control makes states more responsive

Miller 2009 (John, Virginia Transportation Research Council Office of Intermodal Planning and Investment, Virginia’s Long-Range Multimodal Transportation Plan 2007-2035 INSTITUTIONAL CHANGES IN TRANSPORTATION DECISION MAKING, http://www.virginiadot.org/projects/vtransNew/resources/VTrans2035\_Decisionmaking\_FINAL.pdf AS)

Oates’ decentralization theorem, as put forth in his 1972 article “Fiscal Federalism”, expanded upon the earlier work of Tiebout. The theorem is founded upon two basic assumptions, both of which turn out to be reasonably valid. The first assumption is that of asymmetric information between individual communities and the central government which limits the ability of even the most ambitious central governments from addressing the needs of each community separately. Local governments, on the other hand, “are presumably much closer to the people and geography of their respective jurisdictions; they possess knowledge of both local preferences and cost conditions that a central agency is unlikely to have” (Oates pg 1123). To draw from an example consistent with the topic of this paper, consider the United States, which is comprised of tens of thousands of heterogeneous communities, each with their own demographical and geographical characteristics. The infinite factors that fall into these categories and work to make each community unique will certainly lead to an equally unique set of preferences of public goods for each community. The second assumption Oates makes is that even if it could somehow take each community’s preferences into consideration, there are often constitutional barriers in place that limit (or prohibit)the central government from providing different levels of services across jurisdictional boundaries resulting in a “certain degree of uniformity in central directives” (Oates 1123). Although the federal government in the United States plays an important role in income redistribution by varying the degree of aid to state and local governments on a needs base, this is different from actually altering the amount or quality of public goods and services provided and, in most cases, intergovernmental grants actually work to equalize incomes by compensating for “perceived geographical inequalities”, ensuring that minimum standards of public goods and services can be achieved in poorer regions (Oates pg 12).

#### Accountability to the public means better policy making

Musser 2012 (Brandon, Graduate student at the Central European University, Economics department, Economic Policy in Global Markets, Master’s Thesis, “The Effects of Fiscal Decentralization on Highway and Transportation Spending in the United States” April 6th http://dw.crackmypdf.com/0996971001342193466/musser\_brandon.pdf AS)

Tiebout’s conclusion, in a nutshell, was that as long as the assumption holds that “consumers” are mobile between communities and local governments have sufficient incentive (tax revenue) to attract and maintain constituents, it follows that (local) government policies should be highly sensitive to the demands of its citizens otherwise dissatisfied citizens will exercise their option to move to another community which they find to be more favorable. Despite the obvious costs associated with moving from one community to another that renders mobility less than entirely perfect, as well as the fact that residents take several non-economic factors into consideration when choosing which community to reside in, such as proximity of friends and family or countless other personal preferences, the assumption of mobility can’t be entirely dismissed. This assumption gains validity especially as we consider smaller and smaller jurisdictions (e.g. communities rather than states).

## ----Ext. Private Innovation

#### State governments spur private innovation

Slone 2012 (January 11th 2012, Senior Transportation Policy Analyst, The Council of State Governments ://knowledgecenter.csg.org/drupal/content/top-5-issues-2012-expanded-transportation “Top 5 Issues for 2012 Expanded: Transportation”, cnm)

States are also likely to play an important role in improving the processes under which transportation projects are completed if, as expected, the next federal authorization bill makes reforms a priority. Possible targets for reform include streamlining project delivery by: reducing the number of funding categories, providing greater flexibility to states to spend federal dollars and allowing concurrent completion of environmental requirements and other project stages. Some states may explore making greater use of alternative procurement methods such as design-build contracting, which allows one contractor to tackle both the design and construction of the project rather than having different contractors make bids at each stage. That can also open the door to a greater role for the private sector at all stages of transportation projects. Public-private partnerships are expected to become more common in the years ahead and several states have already established a track record on how to shape and manage such relationships to take advantage of private sector innovations and efficiencies while protecting the public interest.

## 2NC Solvency- Uniformity

#### Uniformity solves shortcomings in state transportation investment

NGA, 2002 (National Governors Association, 12-28-02, “Improving Public Transportation Services through Effective Statewide Coordination”, http://www.nga.org/cms/home/nga-center-for-best-practices/center-publications/page-eet-publications/col2-content/main-content-list/improving-public-transportation.html, JN)

Current budget constraints are driving states to make better use of separate but extensive transportation networks to achieve multiple goals. Public transportation is often viewed as a solution to congestion, but as a costly and only marginally effective mechanism for serving disadvantaged populations, particularly in meeting their employment needs.¶ Local and regional public transit agencies maintain substantial systems in many metropolitan regions and in some rural areas. Public and private organizations also provide an extensive range of transportation services to meet other needs. These transportation services are largely supported by public funds, but each tends to take place in its own sphere and toward its own purpose, often with limited impact.¶ Effective state coordination can untangle these transportation webs and provide broader and better transportation access and service without major new transportation investments. Coordination among providers and agencies that provide transportation services holds the potential to:¶ increase transportation availability and access to jobs;¶ enhance service quality;¶ eliminate duplicative efforts; and¶ substantially improve the cost effectiveness of transportation dollars.¶ Several states have established comprehensive coordination mechanisms to achieve these goals. Where successful coordination efforts are underway, key factors to success have been identified, including:¶ leadership - advocating, generating support, and instituting mechanisms for coordination;¶ participation - bringing the right state, regional, and local stakeholders to the table; and¶ continuity - assuring an ongoing forum and executive leadership that stays focused on overall transportation goals and responds to ever-changing needs.¶ By establishing and supporting formal transportation coordination mechanisms, Governors have the opportunity to leverage state, federal, local, and private resources to provide more effective transportation solutions that can lead to reduced congestion, better access to jobs, and more efficient provision of transportation services.¶ This report identifies the benefits of transportation coordination, the range of programs and potential players, mechanisms that states are using to create effective coordinating bodies, and potential challenges to and available resources for achieving broader state transportation goals.

#### States can work cooperatively to create single programs

NGA, 2002 (National Governors Association, 12-28-02, “Improving Public Transportation Services through Effective Statewide Coordination”, http://www.nga.org/cms/home/nga-center-for-best-practices/center-publications/page-eet-publications/col2-content/main-content-list/improving-public-transportation.html,AS)

Policy debates about transportation improvements usually focus on the need for increased resources to fund new initiatives and improve public transit and highway infrastructure. However, a growing number of states are using coordination to increase mobility and create a more seamless transportation system without major new investments. Greater coordination between public transit and ancillary transportation programs frees up sufficient resources to substantially improve overall public transportation service delivery. In a comparison of the cost and efficiency of transportation services before and after coordination, a study by the Community Transportation Association of America presented case studies from five states that showed average reductions of 50 percent in passenger-trip costs and 28 percent in vehicle-hour costs after coordination activities were implemented.2 Interagency coordination can also foster innovative solutions to meeting the demand for transportation services. South Carolina is encouraging cross-utilization of the social services agency’s fleet by various programs to meet multiple transportation needs. Modified transportation policy guidelines increase the capacity of county social services staffs and allow greater flexibility in meeting customer needs. The southeast Arkansas transportation system uses vans from senior centers during off times to provide employment transportation. Kentucky has divided into 15 transportation regions. A contracted regional broker coordinates and provides transportation services for each region. The contracts are bid competitively and each provider is responsible for providing all of the transportation themselves or for contracting out necessary services on behalf of the customer. Transportation providers are paid a capitated rate for each welfare recipient in the service area, regardless of whether or not the recipient uses the service. Fixed-route public transit services may have limited hours of operation or no service available during offpeak hours. In rural areas, the demand for public transit is rarely great enough to support fixed-route services without public subsidy. Specialized human services transportation is delivered through a diverse set of nonprofit agencies contracted by state and local social services agencies to provide transportation to clients with specific needs. In and of itself, this transportation service is insufficient to meet the needs of large numbers of citizens. By eliminating duplicative services, coordinating transportation services among human services and public transportation agencies results in increased operating efficiencies. this leads to economies of scale and increased ridership. Savings can be redirected to support core missions of the agencies.

#### And the counterplan results in long term sustainable coordination

NGA, 2002 (National Governors Association, 12-28-02, “Improving Public Transportation Services through Effective Statewide Coordination”, http://www.nga.org/cms/home/nga-center-for-best-practices/center-publications/page-eet-publications/col2-content/main-content-list/improving-public-transportation.html,AS)

One of the primary threats to effective coordination is sustainability. Coordination works because it assumes that there will be continuous change, both in transportation needs and in the resources available to address them. Governors need to ensure that the policy mechanisms they use to implement coordination will create an ongoing forum and executive leadership that stays focused on overall transportation goals and responds to ever-changing needs. Coordination should be reflected as a priority for governors and relevant state agencies through mission statements and in program goals. For example, Ohio Governor Bob Taft’s ongoing commitment to improve transportation for low-income families is largely responsible for the state’s transportation coordination program, which was implemented by his predecessor. The best way to ensure continuity is through successful efforts that benefit all stakeholders. Performance measures to gauge the overall effectiveness of activities and to serve as barometers for changing transportation needs should be a priority for every coordinating body. States are just beginning to develop these measures.

#### Coordination at the state level solves fragmented efforts

NGA, 2002 (National Governors Association, 12-28-02, “Improving Public Transportation Services through Effective Statewide Coordination”, http://www.nga.org/cms/home/nga-center-for-best-practices/center-publications/page-eet-publications/col2-content/main-content-list/improving-public-transportation.html,AS)

There is an overall lack of coordination for the myriad of transportation activities and funding in each state. This causes fragmented and duplicative transportation services that fail to meet comprehensive transportation needs. In response, states are beginning to employ coordination as a highly effective tool to provide substantially improved transportation services at little or no additional cost.

#### Several Mechanisms for Coordination

NGA, 2002 (National Governors Association, 12-28-02, “Improving Public Transportation Services through Effective Statewide Coordination”, http://www.nga.org/cms/home/nga-center-for-best-practices/center-publications/page-eet-publications/col2-content/main-content-list/improving-public-transportation.html,AS)

States are using a variety of mechanisms to create transportation coordinating entities. In some cases, informal agreements have evolved into legislative or statutory mandates that are also embedded in funding requirements. LEGISLATIVE MANDATES States such as Florida, New Jersey, and Ohio have enacted legislative mandates to coordinate human services transportation services. New Jersey and Ohio have mandated that counties develop coordination plans and submit them to the state. In Florida, the legislature created an independent agency charged with overseeing the transportation activities of state and local agencies. EXECUTIVE ORDERS In Maryland, Governor Parris N. Glendening issued an executive order that created the Maryland Coordinating Committee for Human Services Transportation. The committee is composed of representatives of numerous government agencies, including the Department of Transportation, Maryland Mass Transit Administration, the Department of Human Resources, the Department of Health and Mental Hygiene, and the Department of Aging. The committee has focused on creating successful regional networks to facilitate flexible and responsive transportation solutions among service providers. MEMORANDUMS OF UNDERSTANDING OR OTHER INFORMAL AGREEMENTS Some initiatives involve the participation of several different agencies in a task force or working group, but coordination activities can take place when as few as two agencies work together informally. For example, Wisconsin’s Department of Workforce Development entered into an informal agreement with the Wisconsin Department of Transportation to promote coordinated transportation services for their constituencies. All correspondence regarding their transportation activities is sent out on joint letterhead to reinforce the principle and philosophy of coordination. Wisconsin’s efforts have resulted in an innovative state program called the Wisconsin Employment Transportation Assistance Program, and in the successful joint application for an FTA Job Access and Reverse Commute grant.

## 2NC Solvency- National Governors Association

#### National Governors association solves Coordination

NGA, 2002 (National Governors Association, “Improving Public Transportation Services through Effective Statewide Coordination”, December 28th http://www.nga.org/cms/home/nga-center-for-best-practices/center-publications/page-eet-publications/col2-content/main-content-list/improving-public-transportation.html AS)

Since their initial meeting in 1908 to discuss interstate water problems, the governors have worked through the National Governors Association (NGA) to deal collectively with issues of public policy and governance. The association’s ongoing mission is to support the work of the governors by providing a bipartisan forum to help shape and implement national policy and to solve state problems. The members of NGA are the governors of the fifty states, the territories of American Samoa, Guam, and the Virgin Islands, and the commonwealths of the Northern Mariana Islands and Puerto Rico. The association has a nine-member Executive Committee and three standing committees(on Economic Development and Commerce, Human Resources, and Natural Resources. Through NGA’s committees, governors examine and develop policy and address key state and national issues. Special task forces often are created to focus gubernatorial attention on federal legislation or on state-level issues. The association works closely with the Administration and Congress on state-federal policy issues through its offices in the Hall of the States in Washington, D.C. The association serves as a vehicle for sharing knowledge of innovative programs among the states and provides technical assistance and consultant services to governors on a wide range of management and policy issues. NGA’s Center for Best Practices is a vehicle for sharing knowledge about innovative state activities, exploring the impact of federal initiatives on state government, and providing technical assistance to states. The center works in a number of policy fields, including, economic development and technology, education, natural resources, energy and environment, health, social services, trade, workforce development, and homeland security.

## 2NC Solvency- Interstate Coalitions

#### Interstate Coalitions solves uniformity

Miller 2009 (John, Virginia Transportation Research Council Office of Intermodal Planning and Investment, Virginia’s Long-Range Multimodal Transportation Plan 2007-2035 INSTITUTIONAL CHANGES IN TRANSPORTATION DECISION MAKING, http://www.virginiadot.org/projects/vtransNew/resources/VTrans2035\_Decisionmaking\_FINAL.pdf AS)

The Commonwealth’s infrastructure investments are increasingly determined within several organizational structures besides the Virginia Department of Transportation (VDOT). These institutions include inter-state coalitions (e.g., the I-95 Corridors of the Futures Program or Metropolitan Planning Organizations (MPOs) that span two or more states), intra-state coalitions such as some MPOs located solely within Virginia or the Virginia Railway Express (VRE), and localities (e.g., the Urban Construction Initiative which enables willing municipalities to take responsibility for delivering the VDOT construction program). This increased sharing of decision authority suggests the possibility of future growth in tiered planning, where different types of transportation planning are performed at different administrative levels. For example, one possible future is a Virginia where some localities play a greater role in management of the secondary system and collaboration with adjacent states influences the management of I-95.

#### SQ Proves its feasible for transportation investment

Miller 2009 (John, Virginia Transportation Research Council Office of Intermodal Planning and Investment, Virginia’s Long-Range Multimodal Transportation Plan 2007-2035 INSTITUTIONAL CHANGES IN TRANSPORTATION DECISION MAKING, http://www.virginiadot.org/projects/vtransNew/resources/VTrans2035\_Decisionmaking\_FINAL.pdf AS)

Some decision authority may be shifted to the multi-state level. One recent example is Virginia’s participation in the “Corridors of the Future” program where five states—Florida, Georgia, North Carolina, South Carolina, and Virginia—have agreed to coordinate improvements along the Interstate 95 corridor (Federal Highway Administration [FHWA], 2009; “Corridors of the Future Development Agreement,” 2009). FHWA will distribute $21.8 million among these states, which they will use to pursue three discrete endeavors: (1) consider if feasible the use of public private partnerships to minimize construction costs, (2) develop a consistent approach to Intelligent Transportation System (ITS) projects [a potential example may be consistent variable message signing along the corridor], and (3) develop consistent performance measures based on travel time and travel reliability along the corridor. A second example of such inter-state coalitions is the Interstate 81 multi-state corridor initiative, where Maryland, New York, Pennsylvania, Tennessee, Virginia, and West Virginia signed a Memorandum of Understanding (“Memorandum of Understanding,” 2009) to collaborate on highway and rail improvements. For example, each state agrees to “coordinate I- 81 region freight truck and rail study planning, assumptions, and technical analyses. 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.

## 2NC Solvency- Airports

**States solve Airports**

APN 2011 (Airport Policy News, Time to rethink US airport funding, Centre for Aviation, Oct 18th http://centreforaviation.com/analysis/time-to-rethink-us-airport-funding-60733) AS

Thinking bold thoughts, airport leaders are considering the following trade-off for air-carrier airports: give up some or all AIP grants in exchange for decontrol of the level of PFCs. In Aug-2011, for example, ACI-NA’s Principato wrote to all 12 Senators and House members comprising the deficit-reduction Super Committee asking them to get the federal government out of setting the level of PFCs. (Principato calls ACI-NA’s reform effort the “Moses initiative” — as in “let my airports go.”) A group of 10 of the country’s largest airports sent the Super Committee a letter on 14-Sep-2011 saying they would be willing to give up AIP entitlement funds in exchange for PFC autonomy. Several member airports wanted to go further, giving up all AIP funding if they got PFC autonomy, sources say. Leaders of 12 commercial airports in Texas met in Houston on 27-Sep-2011 to discuss the same set of issues. In addition to PFC reform, they argued that Congress should make permanent the exemption of airport revenue bonds from the Alternative Minimum Tax. There are reports that similar airport groups now exist in California, Florida, and New York. Way back in 1990, in my (David Bentley) first Reason Foundation policy paper on airport privatisation, I analysed FAA data on the 50 largest US airports, comparing how much federal ticket tax revenue each generated in 1987 and the amount each received in 1987 AIP entitlement grants. Most of the largest airports (Boston, New York La Guardia, Los Angeles LAX, San Francisco, etc) got back less than 12% of what they generated, compared with significantly higher rates of return at medium-size airports (Dallas Love Field got 42.5% back, Maui [Hawaii] got 33.6%, Memphis 30.6%). In other words, the very airports that were most congested and providing the largest amounts of air travel services were getting short-changed by this sort of redistribution. But that tends to be the way the political process works. Canada provides a workable model Canada de-federalised its airports several decades ago, devolving nearly complete control to newly created local airport authorities. Instead of getting federal grants, each airport is free to set its own Airport Improvement Fee — essentially an uncapped PFC. The result has been significant improvements in airport capacity and quality, not a proliferation of “Taj Majal” terminals (as feared by US airlines). Conservatives and tax-cutters should welcome a deal that would significantly cut AIP in exchange for having the federal government excuse itself from telling locally governed airports how to fund their capital improvements. This is precisely the kind of devolution many of them are supporting when it comes to highways and transit.

## 2NC Solvency- Highways

#### State control allows for innovation in Highway repair and replacement

Roth 2010 (Gabriel, civil engineer and transportation economist. He is currently a research fellow at the Independent Institute. During his 20 years with the World Bank, he was involved with transportation projects on five continents, “Federal Highway Funding” June, http://www.downsizinggovernment.org/transportation/highway-funding/#5 AS)

To make progress toward a market-based highway system, we should first end the federal role in highway financing. In his 1982 State of the Union address, President Reagan proposed that all federal highway and transit programs, except the interstate highway system, be "turned back" to the states and the related federal gasoline taxes ended. Similar efforts to phase out federal financing of state roads were introduced in 1996 by Sen. Connie Mack (R-FL) and Rep. John Kasich (R-OH). Sen. James Inhofe (R-OK) introduced a similar bill in 2002, and Rep. Scott Garrett (R-NJ) and Rep. Jeff Flake (R-AZ) have each proposed bills to allow states to fully or partly opt out of federal highway financing.47 Such reforms would give states the freedom to innovate with toll roads, electronic road-pricing technologies, and private highway investment. Unfortunately, these reforms have so far received little action in Congress. But there is a growing acceptance of innovative financing and management of highways in many states. With the devolution of highway financing and control to the states, successful innovations in one state would be copied in other states. And without federal subsidies, state governments would have stronger incentives to ensure that funds were spent efficiently. An additional advantage is that highway financing would be more transparent without the complex federal trust fund. Citizens could better understand how their transportation dollars were being spent. The time is ripe for repeal of the current central planning approach to highway financing. Given more autonomy, state governments and the private sector would have the power and flexibility to meet the huge challenges ahead that America faces in highway infrastructure.

#### Devolution to the states solves highway investment

Utt 2003 (Ronald, is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. Utt is a veteran of budgetary politics in Washington, having served as director of the housing finance division at the Department of Housing and Urban Development, and senior economist at the Office of Management and Budget, Past director of economic research at the National Association of Real Estate Investment Trusts. Associate chief economist of the U.S. Chamber of Commerce, Proposal to Turn the Federal Highway Program Back to the States Would Relieve Traffic Congestion, November 21st The Heritage Foundation, http://www.heritage.org/research/reports/2003/11/proposal-to-turn-the-federal-highway-program-back-to-the-states-would-relieve-traffic-congestion AS)

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. With the expiration of TEA-21 on September 30, 2003, Congress has a once-in-a-decade opportunity to reform the federal highway and transit program in a way that would give greater responsibility and decision-making to the states and metropolitan areas that are confronting costly congestion and growing repair backlogs. The Transportation Empowerment Act is a good place to start and--combined with other proposed legislation like the Freeing Alternatives for Speedy Transportation (FAST) Act (H.R. 1767 and S. 1384)--will lead to greater mobility without increasing taxes.

#### Federal programs get bogged down in unnecessary bureaucracy- CP allows the states to manage highways efficiently

Furchtgott-Roth 2011 (Diana is the Contributing editor of Real Clear Markets, a senior fellow at the Manhattan Institute, and a columnist for the Examiner “ Let's Leave Our Roads to the States,” May 26, ”http://www.realclearmarkets.com/articles/2011/05/26/lets\_leave\_our\_roads\_to\_the\_states\_99043.html AS)

Senator Hatch (R-UT), ranking member on the committee, said that states should have more flexibility to raise revenue. Just because someone gives you a car, he said, it doesn't mean that the donor has to pay for the tune-ups. In the same way, just because the federal government funds a road, it should allow states flexibility in funding for maintenance. Another witness, Gabriel Roth, disagreed with Mr. Rendell about the need for a government-funded infrastructure bank. (Full disclosure: Gabriel Roth, who has considerable experience in the transportation field, is my father.) He testified that even with existing funding systems, transportation finance could be provided by the states in partnership with the private sector, rather than by the federal government. Mr. Roth pointed out that other federal laws, such as Davis Bacon, project labor agreements, high-road contracting, and "Buy America" provisions, slow down infrastructure and raise costs. Environmental impact statements can take two years. States are forced to spend money on mass transit, even where there are few users.

#### State control of highways allows for innovation in funding – creates efficient policy options

Roth 2010 (Gabriel, civil engineer and transportation economist. He is currently a research fellow at the Independent Institute. During his 20 years with the World Bank, he was involved with transportation projects on five continents, “Federal Highway Funding” June, http://www.downsizinggovernment.org/transportation/highway-funding/#5 AS)

If the federal government removed itself from highway financing, direct payments for road use could be made directly to state governments through tolls. These sorts of tolls are already in place in New York and New Jersey. An even better solution would be payment of tolls for road use directly to private highway companies, which would cut out government financing completely. This is now technically feasible. Following the success of the HOT lanes in Southern California, many other projects are being pursued across the country. One project is in Northern Virginia. Fluor-Transurban is building and providing most of the funding for HOT lanes on a 14-mile stretch of the Capital Beltway. Drivers will pay to use the lanes with electronic tolling, which will recoup the company's roughly $1 billion investment. HOT lane projects are attractive to governments because they can make use of existing capacity and because the tolls can pay for all or most of the costs.41 Such networks offer congestion-free expressways for those wanting to pay a premium price, in addition to reducing congestion on other roads and creating faster bus services. There are many exciting technological developments in highways, and ending federal intervention would make state governments more likely to seek innovative solutions. Technological advances—such as electronic tolling—have made paying for road services as simple as paying for other sorts of goods. In a world where a fuel tax that is levied on gasoline is an imperfect measure of the wear-and-tear each driver puts on roads, it is vital to explore better ways to finance highways.

#### Devolution is the only way to solve- ends inflated programs which kill transportation efficiency

Roth 2003 (Gabriel, civil engineer and transportation economist. He is currently a research fellow at the Independent Institute. During his 20 years with the World Bank, he was involved with transportation projects on five continents, “Federal-Free Highways” The Cato Institute, http://www.cato.org/publications/commentary/federalfree-highways AS)

Other problems with the Highway Trust Fund are: It enables Congress to divert highway funds for non-road purposes, such as transit projects, and to the General Fund. It enables Congress to enforce burdensome regulations (including those from 70 different environmental laws), such as EPA car-pooling and vehicle-testing requirements, which Congress is unable or unwilling to legislate directly. . It encourages expenditure on new roads rather than the maintenance of existing ones. . It requires states to adopt regulations, such as the Davis-Bacon and 'Buy America' provisions, which can raise highway costs by 20 percent or more. . It hampers innovation and flexibility in the financing and operation of roads. . It rarely supports toll roads and privately-provided roads, although users of these facilities have to pay into it all the mandated charges. . And it enables members of Congress to buy votes in their districts by financing "demonstration projects" most of which rank poorly in state highway programs. . What, then, should Congress do? The obvious recommendation is simply not to re-authorize the federal financing of roads; to abolish the FHTF; to eliminate the federal taxes dedicated to it; and to restore highway-financing powers to the states. If federal funding of roads, and the relevant federal taxes, were abolished, each state would finance its roads in accordance with its own priorities

## 2NC Solvency- HSR

#### States more efficient at allocation of resources for HSR- Federal action results in cost overruns

Goff 2012 (Emily, Research Associate Thomas A. Roe Institute for Economic Policy Studies, State Can't Afford "Free" Rail Money, The Herritage Foundation, May 24th http://www.heritage.org/research/commentary/2012/05/state-cant-afford-free-rail-money AS)

Take high-speed rail and other passenger rail projects – they are expensive to build and maintain, and states are faced with many other pressing infrastructure needs but limited resources to pay for them. So, "free" money from Washington seems too good to be true. Then come project delays and construction cost overruns. Federal grants also have strings attached, such as union wage requirements, which send costs skyward. Soon, the price tag of an HSR project is substantially more than what states signed up for. Once the HSR line is built, another pesky fact materializes: Actual rail ridership rates do not necessarily equal capacity estimates. Poor ridership translates into large funding gaps, and befuddled states then have trouble covering operating expenses, let alone capital costs. Taxpayers are on the hook subsidizing the rail line long after the federal money train has left the station. For example, passenger rail lines in Japan and the United Kingdom required significant government subsidies, which prompted these countries to begin privatizing the rail systems. In the United States, new governors of Wisconsin and Ohio rejected federal funds for HSR projects once it became clear that HSR's upfront costs and long-term financial liabilities far outweighed any potential benefits. A glaring flaw in the prevailing approach to transportation is that it is increasingly Washington-centered; bureaucrats make decisions about projects hundreds of miles away, in which they have little or no vested interest. This trend is based on the belief that Washington knows best, and, therefore, every cent of every transportation dollar must flow through Washington. By this logic, President Obama's so-called livability proposals, such as building street cars and forcing high-density living arrangements, can be cast as a wise use of transportation dollars. In reality, such transportation technology is 19th century nostalgia wrapped in 21st century packaging. This approach also generates misleading incentives for states to commit limited resources to costly projects like HSR, which do not deliver on promises to mitigate road congestion and improve air quality. Instead, they threaten to stain state budget ledgers with unsightly amounts of red ink. Rather than hoarding transportation funds and keeping decision-making in Washington, Congress should give states more control over how to spend the transportation dollars their motorists pay in federal gas taxes. Doing so will pave the way for turning over responsibility for transportation to the states, who know their transportation priorities much better than Washington. With full devolution, states would no longer see funds diverted to transit and enhancement projects they may not find useful. Instead, they would be able to identify and meet their unique infrastructure needs efficiently and cost-effectively.

#### Federal action replicates mistakes on national scale- high costs to maintain, inefficient allocation and environmental problems. States solve

Edwards 2011 (Chris, Joint Economic Committee United States Congress “Infrastructure projects to fix the economy? Don’t bank on it. ” October 21 http://www.washingtonpost.com/opinions/infrastructure-projects-to-fix-the-economy-dont-bank-on-it/2011/10/18/gIQAgtZi3L\_print.html AS)

Perhaps the biggest problem with federal involvement in infrastructure is that when Washington makes mistakes it replicates those mistakes across the nation. Federal efforts to build massive public housing projects in dozens of cities during the 20th century had very negative economic and social effects. Or consider the distortions caused by current federal subsidies for urban light-rail systems. These subsidies bias cities across the country to opt for light rail, yet rail systems are generally less efficient and flexible than bus systems, and they saddle cities with higher operating and maintenance costs down the road.10 When the federal government subsidizes certain types of infrastructure, the states want to grab a share of the funding and they often don't worry about long-term efficiency. High-speed rail is a rare example where some states are rejecting the "free" dollars from Washington because the economics of high-speed rail seem to be so poor.11 The Obama administration is trying to impose its rail vision on the nation, but the escalating costs of California's system will hopefully warn other states not to go down that path.12 Even if federal officials were expert at choosing the best types of infrastructure to fund, politics usually intrudes on the efficient allocation of dollars. Passenger rail investment through Amtrak, for example, gets spread around to low-population areas where passenger rail makes no economic sense. Indeed, most of Amtrak's financial loses come from long-distance routes through rural areas that account for only a small fraction of all riders.13 Every lawmaker wants an Amtrak route through their state, and the result is that investment gets misallocated away from where it is really needed, such as the Northeast corridor.

#### SQ proves- States solve Railways

Kilgannon 2009 (Corey Kilgannon, “Mystery Freight Train Out of Queens? It May Soon Be a Familiar Sight,” The New York Times, 01/31/09, http://www.nytimes.com/2007/01/31/nyregion/31freight.html?n=Top/Reference/Times%20Topics/Organizations/L/Long%20Island%20Rail%20Road&pagewanted=all)

Mr. Materka, 30, an engineer for the New York & Atlantic Railway, one of the few remaining short-line rail freight companies in the region, was running two screaming 120-ton diesel locomotives towing a string of sooty boxcars from Queens out to eastern Long Island. Well-dressed commuters looked up from their newspapers and coffee and stared as the smoky train roared by and transformed the suburban station into Tumbleweed Junction.The line uses obscure rail tracks in Queens and Brooklyn and tracks of the Long Island Rail Road in Nassau and Suffolk Counties. Since freight trains are far outnumbered by commuter trains, few people glimpse the bulky, graffiti-covered boxcars as they lumber past the sleek silver commuter cars rushing passengers to or from Pennsylvania Station.But passengers can expect to see more of these trains soon. Transportation experts, government officials and rail freight advocates say conditions are suddenly in their favor. New York’s new governor, [Eliot Spitzer](http://topics.nytimes.com/top/reference/timestopics/people/s/eliot_l_spitzer/index.html?inline=nyt-per), a Democrat, favors expanding rail freight, as does United States [Representative Jerrold Nadler](http://topics.nytimes.com/top/reference/timestopics/people/n/jerrold_nadler/index.html?inline=nyt-per), a Democrat whose district includes parts of Manhattan and Brooklyn. Mr. Nadler, a longtime champion of building a rail freight tunnel under New York Harbor to reduce truck traffic, helped obtain $100 million in federal money in 2005 to study the tunnel project, and his power has increased now that the Democrats have a majority in Congress. Given that political climate, and the effect high fuel costs have on prices of goods trucked in, experts say they expect a huge increase in rail cargo in the New York area. The city gets roughly 2 percent of its goods by rail, compared with a 40 percent average figure nationally, experts say.Also, a new waste management plan for New York City calls for more reliance on rail freight to ship waste out. The city is set to activate a rail freight line on Staten Island and is seeking to expand rail activity in Bay Ridge, where a short-line railroad floats rail cars from New Jersey across New York Harbor to Brooklyn to be picked up by New York & Atlantic. Since taking over the Long Island Rail Road’s freight operation in 1997, New York & Atlantic has managed to navigate the tricky, obscure rail tracks in Queens and Brooklyn and dodge the thick traffic of the Long Island Rail Road, the busiest commuter line in the country. Annual totals have increased to about 22,000 carloads last year from 9,000 in 1997. This little-noticed suburban rail line has become the little engine that could, and proposed increases in rail freight could thrust it into a much larger role, as would plans to create new depots on Long Island to reduce truck traffic on the Long Island Expressway.“Rail freight is expanding here and we’re going to grow with it,” said New York & Atlantic’s general manager, Mark Westerfield.

#### Localized HSR policies solve better – more responsive

Osofsky, 2011 [Hari M. Osofsky, Associate Professor, University of Minnesota Law School; Associate Director of Law, Geography & Environment, Consortium on Law and Values in Health, Environment & the Life Sciences and Affiliated Faculty, Geography and Conservation Biology, University of Minnesota, 2011, “Diagonal Federalism and Climate Change Implications for the Obama Administration”, 62 Ala. L. Rev. 237,]

As with the previous regulatory category, these trends contain nuance because efforts to influence how we drive have different emphases at larger and smaller-scales. The Obama Administration's large-scale, vertical, top-down efforts, as described above in Part II.B, focus primarily on reworking national transportation policy and infrastructure and on incentivizing innovative state and local programs. For example, it is aiming to link more cities through high speed rail, is funding state and local transit agency's efforts to use alternative energy technology, and is supporting urban circulator projects. n248 In contrast, state and local governmental efforts generally focus on planning issues and changing cultural expectations. For instance, smaller-scale governments government with the greatest competence to address the policies which most affect how people use their cars--often, land use and planning issues--are able to make the individualized choices which will work often work to make urban growth plans more sustainable and to promote and fund creative ride-sharing programs. n249 The primary manner in which these sets of policies come together is through efforts to implement federal transportation policy at state and local levels, which, under the Obama Administration, comes substantially through ARRA funded programs. n250 The overall skews in this policy area toward the smaller-scale, horizontal, and bottom-up have their advantages. They ensure that the levels of in their respective jurisdictions. As Janet Levit and I have explored, Portland and Tulsa both are making strides on reducing emissions, but how that translates in their local contexts differs greatly. n251

## 2NC Solvency- Infrastructure Banks

#### States can create a coordinate set of information banks – solves the aff

Christman and Riordan 2011 (Anastasia and Christine NELP – National Employment Law Project “State Infrastructure Banks: Old Idea Yields New Opportunities for Job Creation,” December, <http://nelp.3cdn.net/fadb21502631e6cb79_vom6b8ccu.pdf>) AS

In the current budget climate, pushing for new spending is challenging. However, funding infrastructure improvements is critical: improving transportation networks can cut traffic congestion, enhance productivity for local businesses, put people to work, and prepare our communities for a reinvigorated 21st century economy. State infrastructure banks can be an important tool in this process. They can supply the initial capital to get projects moving quickly, attract private funding, and use repayments from old projects to fund new ones. However, advocates need to be actively engaged to ensure that SIBs use taxpayer money responsibly to finance projects that will truly improve our communities and create quality jobs. Whether one lives in a state that already has an SIB or is working with lawmakers seeking to start a new SIB, it is important to keep some key criteria in mind. Tips for Advocates Push for SIBs to cover a broad a range of projects to address the needs of your community, especially public transit which creates more jobs than automobile-only projects. Consider if the more flexible state-funded model is better for your state’s needs than the more narrowly defined transportation-only federally-funded model. Push for enabling legislation. Urge lawmakers to put citizen representatives on the decision-making board. Ensure that SIBs give environmental and job standards serious consideration in funding decisions. Push for enabling legislation for a state-funded SIB that incorporates community protections. Push for provisions that protect SIB funding from being raided by lawmakers for other purposes. Urge lawmakers to blend financing for state SIB funding from a variety of sources so that no one population carries a disproportionate burden. Push for provisions that will make taxes or fees progressive and that ensure good projects are funded in a variety of communities.

#### State infrastructure banks solve- creates an efficient way to allocate money- federal programs fail

Slone 2011 (Sean, transportation policy analyst at The Council of State Governments“ State Infrastructure Banks ” July 5 The knowledge Center: The Council of State Governments, http://knowledgecenter.csg.org/drupal/content/state-infrastructure-banks AS)

State infrastructure banks can help states stretch their state and federal dollars and meet the demands of financing large, impactful, long-term infrastructure projects. When government agencies and authorities must seek yearly grants and allocations to finance projects, the completion of those projects can be delayed for months or years. State infrastructure banks can identify, promote and lend money to creditworthy transportation projects to ensure they’re built within a reasonable timeframe and in a financially sustainable way. And because these banks act as a “revolving fund,” more projects can ultimately be financed. When bonding is used to finance a project, the bonds are usually one of two types: revenue or general obligation. Revenue bonds often are used to finance infrastructure projects that have the ability to produce revenue through their operations; for example, new highway lanes that can be tolled or public transit facilities on which fares can be collected. These types of bonds are typically guaranteed by the project revenues, but not by the full faith and credit of a state, city or county. General obligation bonds, on the other hand, are backed by the full faith and credit of the issuing authority. These are used to finance projects that rely on government’s general revenues, such as income, sales and property tax revenue. Cities, counties and states pledge these revenues to issue the bonds and repay them. But the revolving fund aspect of a state infrastructure bank means states can lend funds for projects and receive loan repayments, which can be returned to the system for more project loans. The funding also can be turned into much larger credit lines, multiplying transportation investment capacity. When transportation projects are financed in a traditional way, funds from a state department of transportation or the federal Highway Trust Fund are spent and two types of risk are assumed. Projects are at risk of delay as state officials wait for the state or federal funds to become available, which may increase the costs and delay the project’s benefits. Secondly, states face the risk that a poorly selected project will fail to produce social or economic benefits and tie up scarce capital resources that could have gone to other potentially more successful projects. Both of those risks are diminished with state infrastructure bank financing. First, projects don’t have to wait for funding and delays and cost overruns are avoided. Secondly, a state infrastructure bank has a built-in project evaluation process. Projects are assessed based on their financial viability, which provides a level of economic discipline that is not always present with traditional state project funding. Better, more benefit-producing projects can be the result.4

#### Status Quo proves States can create and effectively run their own Infrastructure bank.

Slone 2011 (Sean, transportation policy analyst at The Council of State Governments“ State Infrastructure Banks ” July 5 The knowledge Center: The Council of State Governments, http://knowledgecenter.csg.org/drupal/content/state-infrastructure-banks AS)

An interchange at the Fort Lauderdale airport. A bridge replacement in Cleveland. An interstate around North Augusta, S.C., that will help ease the daily commute for thousands of motorists. The thing they all have in common is that they were all financed with help from a state infrastructure bank, a type of revolving infrastructure investment fund for surface transportation projects with which 32 states and Puerto Rico have at least some experience. Operating much like other kinds of banks, these infrastructure banks can offer loans and credit assistance enhancement products to public and private sponsors of certain highway construction, transit or rail projects. Under the 2005 federal highway authorization bill, known as SAFETEA-LU, all states and territories plus the District of Columbia were given the authority to establish state infrastructure banks. This followed a period during the 1990s when at different times, anywhere from 10 to 39 states were allowed to experiment with these banks under a series of federal pilot programs. The 2005 legislation also allowed for the creation of multi-state infrastructure banks. Federal and state matching funds are generally used to start a state infrastructure bank. States can then contribute state or local funds and seek additional federal funds to provide more capital.1 The bank’s initial capitalization and ongoing revenue can be used in a number of different ways. The funds can be lent directly to selected projects. The bank can leverage its initial capitalization by providing loan assistance, by using loan repayments as dedicated revenue to sell bonds in the bond market and by providing additional loan assistance with the proceeds of the bond. Finally, the bank can use the funds to guarantee bonds issued by cities, counties, public-private partnerships and other entities, in the process enhancing their creditworthiness and lowering the interest rates they have to pay in the capital markets. Loan guarantees can be particularly beneficial in reducing interest rates on projects in states with cities, counties and special districts that have limited financial capacity.2 While the SAFETEA-LU authorization established the basic requirements and overall operating framework for state infrastructure banks, many states have tailored their banks to meet their own needs and offer their own types of financing assistance. That being said, loans remain the most popular form of state infrastructure bank assistance. The Federal Highway Administration reported that through the end of 2008 (the latest year for which complete data is available), 32 states and Puerto Rico had entered into 609 state infrastructure bank loan agreements totaling $6.2 billion.3

#### State run banks create customized provisions at the local level which attract private investment

Musser 2012 (Brandon, Graduate student at the Central European University, Economics department, Economic Policy in Global Markets, Master’s Thesis, “The Effects of Fiscal Decentralization on Highway and Transportation Spending in the United States” April 6th http://dw.crackmypdf.com/0996971001342193466/musser\_brandon.pdf AS)

The state branches of the NIB would serve several functions beyond identifying the scope for potential projects, performing feasibility studies, and fielding solicited and unsolicited offers from the private sector for PPP projects. One such function could be the auditing and monitoring of local government’s revenue and expenditure responsibilities with regards to the provision of public infrastructure. This role could also be filled by another government agency and, in fact, already is to some extent by independent budgetary committees. However, given the SIBs focus on and familiarity with the latest innovations in infrastructure, they may be significantly better informed and in a much better position to assume such an auditor/advisory role than an independent agency. This is analogous to the Federal Reserve and the Securities and Exchange Commission tendency to hand pick some of Wall Street’s brightest to take on supervisory positions with the respective agencies because of their familiarity with the latest financial innovations being used by the private sector. Having such a well-informed auditor/advisor may help in identifying and mitigating any misalignments between revenue and expenditure responsibilities of local governments, which would almost certainly increase the benefits of decentralized provision of public goods.

#### Federal banks drive up costs of investment

Furchtgott-Roth 2011 (Diana is the Contributing editor of Real Clear Markets, a senior fellow at the Manhattan Institute, and a columnist for the Examiner “ Let's Leave Our Roads to the States,” May 26, ”http://www.realclearmarkets.com/articles/2011/05/26/lets\_leave\_our\_roads\_to\_the\_states\_99043.html AS)

Mr. Kerry envisages the infrastructure bank as independent, with governors appointed by the president. Loaned funds would be repaid, with interest, so the bank would supposedly make a profit. Similar promises were made for Amtrak, when it was established in 1971. Testifying at the Senate Finance Committee hearings was former Pennsylvania Governor Edward Rendell, now co-chair of Building America's Future, a non-profit coalition of state and local officials where he serves without compensation. He told the committee that the infrastructure bank was the only way to channel funds into the states, and that private organizations would not lend for infrastructure projects because the returns are too low. Mr. Rendell called for changes in laws that would make it easier for the private sector to invest in transportation infrastructure-changes that would obviate the need for federal involvement. "Lift the cap on tolling," he said. Currently states need special waivers to place tolls on federally-funded projects. If they were allowed more extensive use of tolls, private users could pay for maintenance. As governor, Mr. Rendell wanted to place tolls on Interstate 80, raising $450 million a year, but the U.S. Department of Transportation in 2010 rejected his request because part of the revenues would have gone to repair other Pennsylvania highways and bridges. In 2008, Mr. Rendell tried to lease the Pennsylvania Turnpike for $12.8 billion to a consortium of Citibank and the Spanish firm Abertis Infraestructuras, but the state legislature did not pass the proposal. The committee hearings gave Mr. Rendell a chance to say "I told you so," because it's now obvious that both proposals would have benefited Pennsylvania residents. Senator Hatch (R-UT), ranking member on the committee, said that states should have more flexibility to raise revenue. Just because someone gives you a car, he said, it doesn't mean that the donor has to pay for the tune-ups. In the same way, just because the federal government funds a road, it should allow states flexibility in funding for maintenance. Another witness, Gabriel Roth, disagreed with Mr. Rendell about the need for a government-funded infrastructure bank. (Full disclosure: Gabriel Roth, who has considerable experience in the transportation field, is my father.) He testified that even with existing funding systems, transportation finance could be provided by the states in partnership with the private sector, rather than by the federal government. Mr. Roth pointed out that other federal laws, such as Davis Bacon, project labor agreements, high-road contracting, and "Buy America" provisions, slow down infrastructure and raise costs. Environmental impact statements can take two years. States are forced to spend money on mass transit, even where there are few users. There are many examples of private sector investments in roads. A road in the suburbs of Washington, the Dulles Greenway, and California's electronically-tolled express lanes on Route 91 were conceived, designed, financed, and built by private sector consortia. The Macquarie Infrastructure Group is operating and managing the Indiana Toll Road and the Chicago Skyway. The private sector is also operating other formerly-public infrastructure, such as garbage collection, water systems, and wastewater treatment plants. With state budgets in difficulties, bringing in the private sector saves crucial dollars. The same can happen for roads. Sohail Bengali, Managing Director of Stone and Youngberg, a financial services company, told me in a telephone conversation, "I think that for certain targeted infrastructure projects, the private sector can be very effective." A federal infrastructure bank, although ostensibly independent, would be swayed by political criteria and would be tempted to invest in low-return projects, such as roads to nowhere. Mr. Rendell admitted that the bank was needed because the returns to the projects were so low that the private sector would not want to invest in them. Yet if the projects have such low returns, why should they be funded by taxpayers? Congress has a choice of how to proceed to provide highways in America. On the one hand is the proposal of a new federally-controlled infrastructure bank which would require even more federal control over highways and the resources to support them. On the other are proposals for individual states to raise their own funds through new technologies and solve their own transportation problems. This Memorial Day, as we sit in traffic jams, the choice is clear.

#### No solvency deficits- states will work with other states to coordinate their efforts

Ridley 2011 (Gary, Secretary, Oklahoma Department of Transportation Congressional Documents and Publications, House Transportation and Infrastructure Subcommittee on Highways and Transit Hearing - "National Infrastructure Bank: More Bureaucracy and More Red Tape,” October 12th)

Conversely, the concept that a new "government corporation" and Federal Authority will somehow enhance the ability to finance infrastructure seems untimely and entirely unnecessary. Especially when considering that many of the proclaimed new ideas encompassed by the Authority already appear to closely parallel the provisions of other existing federal financing programs. In addition to recognizing the apparent federal duplications of the proposed National Infrastructure Bank, most States already have or can easily obtain the expertise necessary to facilitate infrastructure banks and other innovative transportation financing methodologies. States can choose to work with the existing federal bureaucracy or seek the assistance of private financial institutions, knowledgeable investors and even other experienced states. If Oklahoma determines that innovative financing advice and counsel is necessary, we will consult with other states that have demonstrated success along with the private financial sector. It has been our experience that they will gladly share their information and knowledge with us and we have been effectively and efficiently arranging financing for transportation improvements within our borders for more than 50 years.

## ----AT: No Funding/Investment Capital

#### State IBs will attract private capital

Ridley 2011 (Gary, Secretary, Oklahoma Department of Transportation Congressional Documents and Publications, House Transportation and Infrastructure Subcommittee on Highways and Transit Hearing - "National Infrastructure Bank: More Bureaucracy and More Red Tape,” October 12th)

Many states recognize they must increase funding for their departments of transportation. As lawmakers and their constituents engage in this dialogue, advocates should urge that some of the revenues be used to fund an SIB. Managed properly, an SIB can attract private capital to infrastructure projects, and the revolving loan structure can, with prudent choices in spending, make the SIB self-sustaining. Several states are considering an increase in their gasoline taxes. “Essentially, our needs cannot be met without new dedicated taxes and fees,” noted the head of the Northern Virginia Transportation Alliance.62 The Virginia gas tax hasn’t been raised since 1987. Nearby, Maryland lawmakers will consider a 15-cent gas tax increase during their 2012 session and have proposed creating a “lockbox” to ensure the money remains dedicated to transportation improvements.63 In Michigan, lawmakers have proposed repealing the state gas tax entirely, and replacing it with an increase in the sales tax with the extra revenues going to the Michigan Transportation Fund.64 Other states have rejected this option. In North Carolina, state law pegs the gas tax to the cost of wholesale fuel prices, allowing it rise and fall with gasoline prices. However, the state’s House of Representatives recently voted to block an increase scheduled for January 2012. North Carolina Department of Transportation officials estimate the resulting cut in revenues will mean canceling plans for repaving 400 miles of highways and replacing 72 bridges, costing an estimated 2,800 jobs.65 Similarly, in Iowa, the governor has rejected a gasoline tax increase recommended by a specially appointed citizens’ panel.66 Iowa’s gas tax hasn’t been raised since 1989.

## 2NC Solvency- Ports

#### No federal authority for Ports- State action solves

Sherman 2000 (Roberts Director of Research and Information Services American Association of Port Authorities “SEAPORT GOVERNANCE IN THE UNITED STATES AND CANADA,” http://www.aapa-ports.org/files/PDFs/governance\_uscan.pdf)

To observers from abroad, even experienced port specialists, the seaport system of the United States might seem at first glance to be anything but a system. In other countries, port systems are typically small by comparison and commonly subject to direct control by national authority. The situation in the United States differs in several crucial respects. First is simply the size of the industry itself--183 commercial deepdraft ports dispersed along the U.S. Atlantic, Gulf, Pacific and Great Lake coasts. Included in that number, too, are the seaports of Alaska, Guam, Hawaii, Puerto Rico, Saipan and the U.S. Virgin Islands. Here, unlike many countries, there is no national port authority. Rather authority is diffused throughout all three levels of government-federal, state and local. That stems from the federal character of the U.S. Constitution, which reserves certain powers for the national government and others strictly for the states. The Canadian system, by contrast, is subject to the general purview of the central government and more specifically to enactments of the national parliament. The enactment in June 1998 of the Canada Marine Act changed somewhat the character of the federal port system and permits the divestment of many ports previously administered by the Ministry of Transport to non-federal public and private entities. However, the nation’s major seaports are governed and managed by federal port authorities and ultimate statutory authority constitutionally remains with Parliament. Constitutional Parameters: The U.S. Constitution does grant the federal government exclusive jurisdiction over the navigable waters of the United States, including its deepdraft channels and harbors--authority delegated primarily to the Coast Guard and the U.S. Army Corps of Engineers. But federal jurisdiction over harbors stops at the water's edge. Port authorities in the United States are instrumentalities of state or local government established by enactment or grants of authority by the state legislature. Neither Congress nor any federal agency has the power, or even the right, to appoint or dismiss port commissioners or staff members, or to amend, alter or repeal a port authority charter. Certain port activities are, of course, subject to federal law and jurisdiction, particularly those pertaining to foreign and interstate commerce.

#### States own and independently operate ports- CP solves

Wagner et al 2009 (David A. Professional Port Manager and Port Engineer, Port Professionals Group The Ports Association of Louisiana, Joseph Cocchiara Professional Port Manager, J. Michael Orlesh Jr, REPORT ON STATE FINANCIAL ASSISTANCE FOR CAPITAL IMPROVEMENTS AT PUBLIC PORTS IN THE UNITED STATES, The Ports Association of Louisiana, http://portsoflouisiana.org/wp-content/uploads/full-document-final-copy-4.pdf AS)

Information collected at the end of the first survey phase was reviewed for trends in a number of categories. In the Ownership of Ports, it was determined that eleven states own port facilities although in some states the ports themselves were operated independent of state government. In several states where the ports were owned by the state but operated independently, there was no financial support provided by the state (New Hampshire, North Carolina, South Carolina, and Indiana). In others the state had a significant financial role (Maryland, Virginia). In most states, the ports are owned and operated by local governments or are independent political entities. In Louisiana most ports are independent political subdivisions. Under the State Provision of Port Capital Funding, the amount and nature of funding provided by states varies widely. Of thirty one states, twelve have no formal programs for funding port infrastructure development. The remaining nineteen states all have some type of program that ports can access for funds (grants, loans, bond funds). Some states have legislatively created programs for ports but have not funded them (Texas, Arkansas). In a number of states the programs that ports can access are not exclusively for ports but can be used by local governments or other entities and are typically economic development or transportation infrastructure programs. The Port Overview within States is usually in the states’ departments of transportation or economic development. In over one half of the states, ports are considered an integral part of economic development in the state and as such their funding and support comes from the states’ economic development departments. In other states, the state department of transportation has responsibility for port support usually due to the use of state transportation funds for port grants. The Port Advocacy within States is handled by a variety of organizations, In some states such as Pennsylvania, Florida and Massachusetts, there are specific offices within state government to support ports. Several states have legislatively created councils to promote ports and in some cases administer funds. The effectiveness of these groups varies widely. Other Notable Trends in State Funding of Ports include requirements for local matching funds and required planning processes. Almost every state requires some matching funds to access a grant. Most states require at least a 25% match and some require a 50% match. In Louisiana there is 10% match for Port Priority and usually a 50% match for Capital Outlay. Most states require projects to be in a port master plan or state master plan before funding.

#### Several funding mechanisms for state run ports

Wagner et al 2009 (David A. Professional Port Manager and Port Engineer, Port Professionals Group The Ports Association of Louisiana, Joseph Cocchiara Professional Port Manager, J. Michael Orlesh Jr, REPORT ON STATE FINANCIAL ASSISTANCE FOR CAPITAL IMPROVEMENTS AT PUBLIC PORTS IN THE UNITED STATES, The Ports Association of Louisiana, http://portsoflouisiana.org/wp-content/uploads/full-document-final-copy-4.pdf AS)

At the conclusion of this second phase of surveying, there were a number of overall observations concerning these final ten states. In the area of Dedicated Funds for Ports, the states of Florida and Virginia both have successful programs for ports backed by dedicated funding sources. Florida dedicates $25 million annually from motor vehicle registration fees and $8 million annually from other transportation revenues. These dedicated funds support the sale of bonds and the provision of grants and loans to 14 deep water ports. Virginia dedicates 4.2% of its annual transportation revenues to a port fund administered by the Virginia Port Authority. This fund generates $36 million annually and has allowed for the sale of $400 million in bond funds to support port construction. The Sources of Funds for Ports varies across the country. By far the two sources which are most prominent are General Fund Revenues and Transportation Fund Revenues. Of the initial thirty one states surveyed, seven provided no funds to ports; eleven used only general funds to support ports; seven states used only transportation funds to support ports; and six used a combination of general funds and transportation funds. Some of the unique funding sources included watercraft fuel taxes (Alaska), vessel registration fees (California), lottery revenues (Oregon) and federal stimulus funds (Maine). Appendix D lists the funding sources for all thirty one states. The use of Revolving Loan Funds is used in many states. Such programs provide loans, bonding capacity or credit enhancements for borrowing ports or their tenants. States such as Mississippi, Ohio, Washington and Oregon make extensive use of these types of loan funds. In most cases, the legislature seeds the fund with a onetime appropriation and the funds become self supporting thereafter. State Taxing Policy for Ports is a mechanism used in some states. Washington grants local taxing authority to its ports without the need for a local referendum although they limit the amount of tax that can be assessed. Ports in other states such as Texas, Ohio, and Florida make extensive use local taxes to support both capital and operating costs. Just as important, some states, such as Alabama, make extensive use of state tax incentives to attract private sector partners. Port Planning Requirements for Funding exists in many states. In these states, ports may be required to have projects consistent with a port master plan or a state master plan before money can be granted or loaned to a project.

## 2NC Solvency- Waterways

#### Bureau of Waterways proves state solvency

Pennsylvania DEP 12, [Department of Environmental Protection, 2012, “Waterways Engingeering”. Pennsylvania State Portal, <http://www.portal.state.pa.us/portal/server.pt/community/waterways_engineering/10499> MF]

The Bureau of Waterways Engineering contains two main programs: Dam Safety and Flood Protection. The mission of both the Flood Protection Program and the Dam Safety Program is to protect the health and safety of the public while being sensitive to environmental impacts in fulfilling this mission. The Bureau of Waterways Engineering operates one of the few state-level comprehensive flood protection programs in the United States. The program evaluates flood prone areas, designs stream improvement and flood protection facilities, and manages the construction of these projects. It also coordinates the planning, design and construction of federal flood control and bank stabilization projects. The program provides protection to communities during high water events by ensuring that Pennsylvania's existing flood protection projects are in a state of readiness and will function as designed. The Dam Safety Program oversees the regulation and safety of approximately 3200 dams and reservoirs throughout the Commonwealth in order to protect the health, safety and welfare of its citizens and property downstream of dams. The goal is to assure proper planning, design, construction, maintenance, operation, monitoring and supervision of dams and reservoirs. Dam Safety also oversees removal of dams that are no longer needed by their owners and develops strategies to address legacy sediment issues across Pennsylvania, particularly as they relate to current and proposed dam removal projects.

#### States Own operate and control the waterways- Supreme Court Proves

NORS, 02 [National Organization for Rivers, 9/16/02, http://www.nationalrivers.org/us-law-who-owns.htm]MF

Which rivers are owned by the public? The U.S. Supreme Court has held that the bed and banks under all rivers, lakes, and streams that are navigable, for title purposes, are owned by the states, held in trust for the public. Title in this context means ownership. This public-trust ownership extends up to the ordinary high water line, (or ordinary high water mark,) encompassing what is commonly referred to as the submerged and submersible land, as opposed to the upland. This type of navigability is called title navigability. 2. How did the public come to own these rivers and lands? The Supreme Court has held that navigable rivers, lakes, and streams have been public since ancient times in all civilized societies, and that in colonial America they were held for the public by the King of England. When the original thirteen states took sovereignty of their land from the British after the American Revolution, those states became owners of the land underlying navigable waters. States that subsequently entered the Union have the same ownership rights as the original thirteen states under the Equal Footing Doctrine, and became owners of the land underlying navigable waters as of the date of statehood. 3. What does navigable, for title purposes, mean? Through various court cases, federal courts have articulated the following test, which is known as the federal test of navigability for title purposes: The waterway must be capable of or susceptible to use as a highway for the transportation of people or goods; The waterway must be usable for transportation conducted in customary modes of trade and travel on water; Waters must be navigable in their natural and ordinary condition; and Navigability is determined as of the date of statehood. The courts have determined that the use or potential for use by almost any type of watercraft is sufficient to determine this type of navigability. The use did not have to occur at the time of statehood; it is enough that it could have occurred (i.e., susceptibility.) Modern-day usefulness of a river that has not been artificially modified helps prove navigability for purposes of state title, as do historical uses that no longer exist, such as log drives. Note that this "federal test" is not found in any one Supreme Court document or other government publication; it is just the sum of the relevant passages and phrases in various court decisions. Congress has never passed legislation defining navigability for title purposes, so the court decisions are the applicable law on the subject.

#### Several funding mechanisms for state run waterways

Wagner et al 2009 (David A. Professional Port Manager and Port Engineer, Port Professionals Group The Ports Association of Louisiana, Joseph Cocchiara Professional Port Manager, J. Michael Orlesh Jr, REPORT ON STATE FINANCIAL ASSISTANCE FOR CAPITAL IMPROVEMENTS AT PUBLIC PORTS IN THE UNITED STATES, The Ports Association of Louisiana, http://portsoflouisiana.org/wp-content/uploads/full-document-final-copy-4.pdf AS)

At the conclusion of this second phase of surveying, there were a number of overall observations concerning these final ten states. In the area of Dedicated Funds for Ports, the states of Florida and Virginia both have successful programs for ports backed by dedicated funding sources. Florida dedicates $25 million annually from motor vehicle registration fees and $8 million annually from other transportation revenues. These dedicated funds support the sale of bonds and the provision of grants and loans to 14 deep water ports. Virginia dedicates 4.2% of its annual transportation revenues to a port fund administered by the Virginia Port Authority. This fund generates $36 million annually and has allowed for the sale of $400 million in bond funds to support port construction. The Sources of Funds for Ports varies across the country. By far the two sources which are most prominent are General Fund Revenues and Transportation Fund Revenues. Of the initial thirty one states surveyed, seven provided no funds to ports; eleven used only general funds to support ports; seven states used only transportation funds to support ports; and six used a combination of general funds and transportation funds. Some of the unique funding sources included watercraft fuel taxes (Alaska), vessel registration fees (California), lottery revenues (Oregon) and federal stimulus funds (Maine). Appendix D lists the funding sources for all thirty one states. The use of Revolving Loan Funds is used in many states. Such programs provide loans, bonding capacity or credit enhancements for borrowing ports or their tenants. States such as Mississippi, Ohio, Washington and Oregon make extensive use of these types of loan funds. In most cases, the legislature seeds the fund with a onetime appropriation and the funds become self supporting thereafter. State Taxing Policy for Ports is a mechanism used in some states. Washington grants local taxing authority to its ports without the need for a local referendum although they limit the amount of tax that can be assessed. Ports in other states such as Texas, Ohio, and Florida make extensive use local taxes to support both capital and operating costs. Just as important, some states, such as Alabama, make extensive use of state tax incentives to attract private sector partners. Port Planning Requirements for Funding exists in many states. In these states, ports may be required to have projects consistent with a port master plan or a state master plan before money can be granted or loaned to a project.

## 2NC Solvency- Disaster Response

#### State governments solve disaster response

Schrader 2009 (Dennis, Dennis Schrader serves as senior consultant to The Artemis Group serving on homeland security and interoperability issues. Dennis is a retired Navy Captain and the former Deputy Administrator of of the Federal Emergency Management Administration's (FEMA) National Preparedness Directorate (NPD). Prior to assuming his NPD post he served as the State of Maryland's first Director of Homeland Security, where he introduced efforts to improve interoperable communications and advance sharing capabilities within the state. “Unfinished Business at FEMA: A National Preparedness Perspective,” June 26th http://www.heritage.org/research/lecture/unfinished-business-at-fema-a-national-preparedness-perspective AS)

In the aftermath of Katrina, the FEMA Administrator and his team focused on ensuring that the next responses would be effective. A three-year process led to the National Response Framework (NRF) as a replacement for the National Response Plan (NRP) and the update of the National Incident Management System (NIMS). The NRF documented the roles and responsibilities for response and recognized that FEMA has a major role in short-term recovery, but FEMA is not organized, equipped, or resourced to lead a major long-term recovery effort. As we saw after Katrina, national media and communications create a public expectation for immediate and well-organized recovery processes that produce results that make people whole. They also imply that the federal government is in charge for whatever happens. The reality is just the opposite. The fact is that recovery is primarily a state, local, and private-sector role. Over the past 20 years, response doctrine like the NRF has been debated and has evolved. Recovery doctrine, however, has not received such attention. It's much more complicated, harder to address, far more expensive, and longer-term in scope.

#### And the federal government fails as disaster response

Nivola 2005 (Pietro, Senior Fellow, Governance Studies, The Brookings Institution“Why Federalism Matters,” Brookings Policy Brief Series #146, http://www3.brookings.edu/papers/2005/10governance\_nivola.aspx October, AS)

Why the paternalists in Washington cannot resist dabbling in the quotidian tasks that need to be performed by state and local officials would require a lengthy treatise on bureaucratic behavior, congressional politics, and judicial activism. Suffice it to say that the propensity, whatever its source, poses at least two fundamental problems. The first is that some state and local governments may become sloppier about fulfilling their basic obligations. The Hurricane Katrina debacle revealed how ill-prepared the city of New Orleans and the state of Louisiana were for a potent tropical storm that could inundate the region. There were multiple explanations for this error, but one may well have been habitual dependence of state and local officials on direction, and deliverance, by Uncle Sam. In Louisiana, a state that was receiving more federal aid than any other for Army Corps of Engineers projects, the expectation seemed to be that shoring up the local defenses against floods was chiefly the responsibility of Congress and the Corps, and that if the defenses failed, bureaucrats in the Federal Emergency Management Agency would instantly ride to the rescue. That assumption proved fatal. Relentlessly pressured to spend money on other local projects, and unable to plan centrally for every possible calamity that might occur somewhere in this huge country, the federal government botched its role in the Katrina crisis every step of the way—the flood prevention, the response, and the recovery. The local authorities in this tragedy should have known better, and taken greater precautions. Apart from creating confusion and complacency in local communities, a second sort of disorder begot by a national government too immersed in their day-to-day minutia is that it may become less mindful of its own paramount priorities.

#### States Solve Disaster Relief

Wisconsin Emergency Management 09 (WEM, “State Disaster Assistance Programs,” WEM, 2009, http://74.125.113.132/search?q=cache:4ZHRoRjg9yoJ:emergencymanagement.wi.gov/docview.asp%3Fdocid%3D12158%26locid%3D18+Wisconsin+Disaster+Fund+Wisconsin+Emergency+Management+Contact+Diane+Kleiboer+or+Dave+LaWall+at+608-242-3232&hl=en&ct=clnk&cd=1&gl=us)

Wisconsin Disaster Fund Wisconsin Emergency Management Contact Diane Kleiboer or Dave LaWall at 608-242-3232This funding is made available when the state or counties are denied federal disaster assistance or do not meet the federal eligibility criteria.  Communities that meet an established per capita threshold in damages can request assistance through the county emergency management director who applies to the Administrator of Wisconsin Emergency Management.  Tribes can apply directly to WEM.

## 2NC Solvency- Environment

#### Federal Funding of transportation investment destroys the environment- state governments solve

Edwards 2011 (Chris, Joint Economic Committee United States Congress “Infrastructure projects to fix the economy? Don’t bank on it. ” October 21 http://www.washingtonpost.com/opinions/infrastructure-projects-to-fix-the-economy-dont-bank-on-it/2011/10/18/gIQAgtZi3L\_print.html AS)

 In a recent television ad for her network, MSNBC host Rachel Maddow stands below the Hoover Dam and asks whether we are still a country that can “think this big” — Hoover Dam big. The commercial is built on the assumption that American greatness is advanced by federal spending on major infrastructure projects. If I had my own television commercial, I’d stand in front of the wreckage of Idaho’s Teton Dam, which, like the Hoover Dam, was built by the federal Bureau of Reclamation. The Teton Dam was based on shoddy engineering and a flawed economic analysis. It collapsed catastrophically in 1976, just a year after it was built. Increased infrastructure spending has significant support in Washington these days. President Obama wants a new federal infrastructure bank, and some members of both parties want to pass big highway and air-traffic-control funding bills. The politicians think these bills will create desperately needed jobs, but the cost of that perceived benefit is too high: Federal infrastructure spending has a long and painful history of pork-barrel politics and bureaucratic bungling, with money often going to wasteful and environmentally damaging projects. For plenty of examples of the downside of federal infrastructure, look at the two oldest infrastructure agencies — the Army Corps of Engineers and the Bureau of Reclamation. Their histories show that the federal government shouldn’t be in the infrastructure business. Rather, state governments and the private sector are best equipped to provide it. The Corps of Engineers has been building levees, canals and other civilian water infrastructure for more than 200 years — and it has made missteps the entire time. In the post-Civil War era, for example, there were widespread complaints about the Corps’ wastefulness and mismanagement. A 1971 book by Arthur Morgan, a distinguished engineer and former chairman of the Tennessee Valley Authority, concluded: “There have been over the past 100 years consistent and disastrous failures by the Corps in public works areas . . . resulting in enormous and unnecessary costs to ecology [and] the taxpayer.” Some of the highest-profile failures include the Great Mississippi Flood of 1927. That disaster dramatically proved the shortcomings of the Corps’ approach to flood control, which it had stubbornly defended despite outside criticism. Hurricane Katrina in 2005 was like a dreadful repeat. The flooding was in large part a man-made disaster stemming from poor engineering by the Corps and misdirected funding by Congress. Meanwhile, the Bureau of Reclamation has been building economically dubious and environmentally harmful dams since 1902. Right from the start, “every Senator . . . wanted a project in his state; every Congressman wanted one in his district; they didn’t care whether they made economic sense or not,” concluded Marc Reisner in his classic history of the agency, “Cadillac Desert.” The dam-building pork barrel went on for decades, until the agency ran out of rivers into which it could pour concrete.

## 2NC Solvency- Economy

#### Devolution to the state level attracks growth creating businesses

Musser 2012 (Brandon, Graduate student at the Central European University, Economics department, Economic Policy in Global Markets, Master’s Thesis, “The Effects of Fiscal Decentralization on Highway and Transportation Spending in the United States” April 6th http://dw.crackmypdf.com/0996971001342193466/musser\_brandon.pdf AS)

Returning to Tiebout’s assumption of the mobile taxpayer/consumer presents some insight as to why local governments might put a higher priority on infrastructure than the federal government. The greater the mobility of voter/taxpayers between subnational jurisdictions, the more sensitive subnational levels of government will become to these market signals in their attempts to attract new residents and businesses or even retain existing ones. As a result, fiscal competition is introduced among same-level jurisdictions as they compete for a limited supply of residents, businesses and, ultimately, the tax revenues that follow them. One strand of the literature argues that this competition should affect the composition of public expenditures, inducing subnational levels of government to invest in those public goods which enter into the production functions of private firms and, likewise, into the preference functions of individuals (Keen and Marchand, 1997). The quality of ports or access to main transportation arteries (highways, railroads), for example, would carry a lot of weight for a manufacturing firm that needs to ship and receive bulk quantities of materials and finished goods as quickly as possible. Likewise, the quality of primary schools, extent and user-friendliness of public transportation, or even the number of parks and other public spaces could greatly influence their decision to reside in one community versus another.

#### Devolution to the states key to economic growth- prefer our models

Musser 2012 (Brandon, Graduate student at the Central European University, Economics department, Economic Policy in Global Markets, Master’s Thesis, “The Effects of Fiscal Decentralization on Highway and Transportation Spending in the United States” April 6th http://dw.crackmypdf.com/0996971001342193466/musser\_brandon.pdf AS)

Akai and Sakata (2002)examine cross state data in the United States for the 1992-1996 time period and find evidence that fiscal decentralization has had a positive and significant effect on economic growth, although they do not make any comments as to how exactly fiscal decentralization might contribute to economic growth. The authors felt convinced that examining data from the United States was the best way to observe the effects of fiscal decentralization onreal economic variables, arguing that using cross-country data in which the cultural, historical, and institutional differences between countries very significantly, making it more difficult to isolate the effects of fiscal decentralization unless necessary adjustments are made to the data. Also, by using panel data, the authors are able to control for regional-specific effects although they found, contrary to their expectations, an insignificant coefficient for the dummy variable representing the Southern region.

## 2NC Solvency- Poverty Reduction

#### States Solve poverty related transportation issues- Federal government models

Vestal 2008 (Christina journalist at Stateline.org journalism and news, August 7 (Web, 8-7-08), http://www.stateline.org/live/details/story?contentId=331776 “States adopt bold anti-poverty measures” LJ)

 As the economy falters and the ranks of the poor multiply, states for the first time in recent memory are mounting high-profile, comprehensive campaigns aimed at radically reducing poverty - many with an emphasis on children.¶ ¶ At least 15 states and the District of Columbia have created bi-partisan commissions to narrow the widening gap between the rich and the poor by eliminating barriers - such as lack of education, poor transportation and inadequate child care - that prevent many from finding better jobs and escaping chronic poverty. In addition, the states are working to help disadvantaged children in the hope of breaking the generational cycle of poverty.¶ ¶ "It's striking how many states have taken on poverty as a top policy priority," Jack Tweedie, poverty director at the National Conference of State Legislatures , told Stateline.org. "No one even used the word 'poverty' in the past. It was all about helping working families."¶ ¶ Advocates for the poor say the new state poverty initiatives mark a sea change in political support for an issue that has languished for decades. And with the possibility of a Democrat in the White House and a Democratic Congress, some are optimistic the federal government also will take up the mantle and increase state assistance programs.¶

## 2NC Solvency- Terrorism

#### Federal government fails at terrorism prevention and response- forces state governments to be dependent and ineffective

Nivola 2005 (Pietro, Senior Fellow, Governance Studies, The Brookings Institution“Why Federalism Matters,” Brookings Policy Brief Series #146, http://www3.brookings.edu/papers/2005/10governance\_nivola.aspx October, AS)

Why the paternalists in Washington cannot resist dabbling in the quotidian tasks that need to be performed by state and local officials would require a lengthy treatise on bureaucratic behavior, congressional politics, and judicial activism. Suffice it to say that the propensity, whatever its source, poses at least two fundamental problems. The first is that some state and local governments may become sloppier about fulfilling their basic obligations. The Hurricane Katrina debacle revealed how ill-prepared the city of New Orleans and the state of Louisiana were for a potent tropical storm that could inundate the region. There were multiple explanations for this error, but one may well have been habitual dependence of state and local officials on direction, and deliverance, by Uncle Sam. In Louisiana, a state that was receiving more federal aid than any other for Army Corps of Engineers projects, the expectation seemed to be that shoring up the local defenses against floods was chiefly the responsibility of Congress and the Corps, and that if the defenses failed, bureaucrats in the Federal Emergency Management Agency would instantly ride to the rescue. That assumption proved fatal. Relentlessly pressured to spend money on other local projects, and unable to plan centrally for every possible calamity that might occur somewhere in this huge country, the federal government botched its role in the Katrina crisis every step of the way—the flood prevention, the response, and the recovery. The local authorities in this tragedy should have known better, and taken greater precautions. Apart from creating confusion and complacency in local communities, a second sort of disorder begot by a national government too immersed in their day-to-day minutia is that it may become less mindful of its own paramount priorities. Apart from creating confusion and complacency in local communities, a second sort of disorder begot by a national government too immersed in their day-to-day minutia is that it may become less mindful of its own paramount priorities Consider an obvious one: the security threat presented by Islamic extremism. This should have been the U.S. government's first concern, starting from at least the early 1990s. The prelude to September 11, 2001 was eventful and ominous. Fanatics with ties to Osama bin Laden had bombed the World Trade Center in 1993. Muslim militants had tried to hijack an airliner and crash it into the Eiffel Tower in 1994. U.S. military barracks in Dhahran, Saudi Arabia, were blown up, killing nearly a score of American servicemen in 1996. Courtesy of Al Qaeda, truck bombings at the American embassies in Tanzania and Kenya in 1998 caused thousands of casualties. Al Qaeda operatives attacked the USS Cole in 2000. And so it went, year after year. What is remarkable was not that the jihadists successfully struck the Twin Towers again in the fall of 2001 but that the United States and its allies threw no forceful counterpunches during the preceding decade, and that practically nothing was done to prepare the American people for the epic struggle they would have to wage. Instead, the Clinton administration and both parties in Congress mostly remained engrossed in domestic issues, no matter how picayune or petty. Neither of the presidential candidates in the 2000 election seemed attentive to the fact that the country and the world were menaced by terrorism. On the day of reckoning, when word reached President George W. Bush that United Airlines flight 175 had slammed into a New York skyscraper, he was busy visiting a second-grade classroom at an elementary school in Sarasota, Florida. The government's missteps leading up to September 11th, in short, had to do with more than bureaucratic lapses of the kind identified in the 9/11 Commission's detailed litany. The failure was also rooted in a kind of systemic attention deficit disorder. Diverting too much time and energy to what de Tocqueville had termed "secondary affairs," the nation's public servants from top to bottom grew distracted and overextended.

## Federal Models State Action

#### Federal models state transportation action- history proves

Wachs 2003 (Martin, Ph.D. and M.S. in urban and regional planning, Northwestern University; B.S. in civil engineering, City University of New York, Local Option Transportation Taxes: Devolution as Revolution, http://www.uctc.net/access/22/Access%2022%20-%2002%20-%20Local%20Option%20Transportation%20Taxes.pdf AS)

The first revolution in transportation finance came when states adopted user fees in the form of motor fuel taxes. Although they charged for road use in rough proportion to¶ motorists’ travel, and heavier vehicles paid more because they used more fuel per¶ mile of travel, fuel taxes didn’t quite match tolls for efficiency because¶ they didn’t levy charges at the time and place of use. However, they cost much less to administer than tolls, so fuel taxes became the principal means of financing America’s main roads. Because they were user fees, most states reserved fuel taxes exclusively for transportation expenditures. When the federal government decided in 1956 to expand intercity highways on a national scale, it increased federal fuel taxes and created the Federal Highway Trust Fund, emulating the “user pays” principle that had been so successful in the states.

#### Federal government models state infrastructure

Muro 2011 (Mark, a senior fellow and director of policy for the Metropolitan Policy Program at Brookings, manages the program's public policy analysis and leads key policy research projects. “ Banking on Green Growth in Connecticut ” June 28, The New Republic, http://www.tnr.com/blog/the-avenue/90969/banking-green-growth-in-connecticut AS)

 Which is why it is so auspicious that one small state has taken the lead in moving from concept to design to implementation. In classic federalist fashion, state experimentation is leading the way at a time of federal gridlock. How will Connecticut’s newly constituted Clean Energy Finance and Investment Authority (CEFIA) work? Basically, the new entity will function like an investment bank or fund that can leverage its capital to provide low-cost financing to clean projects that a commercial bank wouldn’t likely touch. To this end, the bank will be funded by a surcharge on residential and commercial electricity bills, which was previously paid into the state’s Clean Energy Fund, amounting to $30 million a year. CEFIA will also administer the $18 million Green Loan Guaranty Fund. The total $50 million investment by the bank will enable Connecticut to leverage limited state resources with much larger amounts of private capital—and in this way will catalyze a self-sustaining flow of low-cost capital for innovative clean energy deployment projects, whether it be large-scale rooftop solar plants or commercial building retrofits or even high-voltage lines. In this vein, the new Connecticut institution keeps pace with and somewhat “copy cats” the U.K.’s recently announced plan to capitalize a Green Investment Bank with $4.8 billion. In short, a small northeastern state is embarking on an essential experiment aimed at getting clean energy finance moving. Ideally, this smart experiment will succeed and other states and Washington will follow suit. After all, finding a robust and workable solution to the problem of financing the deployment of innovative, large-scale clean energy projects will be absolutely central to ensuring that the U.S. unleashes a sizable clean energy economy, instead of drifting.

#### Federal government models state action

Golden ’99 (Dylan, JD Candidate – UCLA Law, UCLA Journal of Environmental Law & Policy, Lexis)

Individual states vary widely in their fossil fuel consumption and in the amount of carbon dioxide they release into the atmosphere. California emits as much carbon dioxide as all of Scandinavia combined. [46](http://www.lexis.com/research/retrieve?_m=4ba1af09603a4e5554183423d9d7d4ed&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=8779af90cf411f93f281e0061e470f36#n46) Texas is the seventh largest carbon dioxide producer. [47](http://www.lexis.com/research/retrieve?_m=4ba1af09603a4e5554183423d9d7d4ed&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=8779af90cf411f93f281e0061e470f36#n47) Some states emit a globally negligible amount of carbon dioxide. Some conservative interests may therefore oppose the CCTI on the grounds that it involves a further expansion of federal power into an area which is properly under the jurisdiction of states. Those who believe firmly in strong state governments are similar to the "Greens" (discussed below) in that the "rent", in this case the penalty, at stake in the CCTI is non-economic.  [\*188]  This group does have some justification for their position. Attempted state action involving manipulating markets, generally through the tax system, in the name of the environment tells us a great deal about how various stakeholders - such as business entities, environmental interest groups, and political groups - might respond to federal or international action. [48](http://www.lexis.com/research/retrieve?_m=4ba1af09603a4e5554183423d9d7d4ed&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=8779af90cf411f93f281e0061e470f36#n48) State legislatures also provide a forum to raise issues and change perceptions. [49](http://www.lexis.com/research/retrieve?_m=4ba1af09603a4e5554183423d9d7d4ed&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=8779af90cf411f93f281e0061e470f36#n49) State environmental policy frequently influences Congress. [50](http://www.lexis.com/research/retrieve?_m=4ba1af09603a4e5554183423d9d7d4ed&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=8779af90cf411f93f281e0061e470f36#n50) State action increases the feasibility of federal action because: familiarity aids the political process, legislators understand the politics in terms of income, consumption and their regional interests, administrative agencies know how to  [\*189]  administrate and may estimate impacts, interest groups know where they stand, and practical experience can guide legislative drafting. [51](http://www.lexis.com/research/retrieve?_m=4ba1af09603a4e5554183423d9d7d4ed&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=8779af90cf411f93f281e0061e470f36#n51) Such grassroots action may also stimulate support among the populous by encouraging people to take personal responsibility for the environment. [52](http://www.lexis.com/research/retrieve?_m=4ba1af09603a4e5554183423d9d7d4ed&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=8779af90cf411f93f281e0061e470f36#n52) Action at the state level may also spur more informed federal action, which in turn could spur international action. State-federal agreements are possible on the carbon tax issue and the commerce clause does not prohibit joint or unilateral action. [53](http://www.lexis.com/research/retrieve?_m=4ba1af09603a4e5554183423d9d7d4ed&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=8779af90cf411f93f281e0061e470f36#n53) Energy taxes have already been implemented jointly in the case of gasoline taxes. [54](http://www.lexis.com/research/retrieve?_m=4ba1af09603a4e5554183423d9d7d4ed&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=8779af90cf411f93f281e0061e470f36#n54)

**Federal government models state action**

Katz et al 2010 (Bruce Katz, Jennifer Bradley, and Amy Liu, November, “Delivering the Next Economy: The States Step Up,” The Brookings Institution, Brookings- Rockefeller Project on State and Metropolitan Innovation //MGD)

State innovation is part of the genius of our federalist system.1 Health care reform was law in Massachusetts years before the recent passage of federal legislation. During the 1980s, governors from both parties experimented with welfare and healthcare reforms, paving the way for federal advances in the next decade. Throughout the 1950s, public university systems, established by states like California and North Carolina, set the stage for the federal technology investments of the 1960s and 1970s. And before he was president, New York Gov. Franklin D. Roosevelt experimented with interventions that foreshadowed the New Deal.

## Federal Fails Frontline

#### Federal government fails- Inefficient allocation of funds

Utt 2012 (Ronald, is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. Utt is a veteran of budgetary politics in Washington, having served as director of the housing finance division at the Department of Housing and Urban Development, and senior economist at the Office of Management and Budget, Past director of economic research at the National Association of Real Estate Investment Trusts. Associate chief economist of the U.S. Chamber of Commerce, ““Turn Back” Transportation to the States” Feb 7th http://www.heritage.org/research/reports/2012/02/turn-back-transportation-to-the-states) AS

Chief among the ongoing sources of friction have been the pervasive regional spending inequities embodied in the federal program and maintained in all of its subsequent reauthorizations. Because of the current law’s flawed allocation formulas, about half of the states (called donors and located mostly in the South and Great Lakes region) pay proportionately more into the trust fund than they get back, and vice versa for the other half (called donees and located mostly in the Northeast). On a share-by-share basis, some donor states such as Texas, Florida, and South Carolina get less than an 85 percent share of the highway money they pay in, while New York, Connecticut, and Massachusetts get more than 100 percent. As bad as this disparity is, the allocation of federal transit spending is even more inequitable.[1] Many highway donor states are also transit donor states, receiving much less for transit projects than they paid into the transit account, while many of the highway donee states are also transit donees. In response to growing complaints from donor states about the pervasive unfairness of the program, Congress has proposed a number of halfhearted efforts to accommodate the donor states. The current goal in draft legislation (S. 1813) is to achieve at least a 95 percent return, but that still leaves hundreds of millions of dollars on the table for the perennially shortchanged donor states. [2] The equity issue has since become more complicated as a consequence of the three general-fund bailouts of the trust fund, but the degree of inequity has not disappeared.

#### States get shortchanged, results in ineffective implementation

Utt 2005 (Ronald, is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. Utt is a veteran of budgetary politics in Washington, having served as director of the housing finance division at the Department of Housing and Urban Development, and senior economist at the Office of Management and Budget, Past director of economic research at the National Association of Real Estate Investment Trusts. Associate chief economist of the U.S. Chamber of Commerce, “Congress Gets Another Chance to Improve America's Transportation: Should It Be Its Last?” March 7th The Heritage Foundation, http://www.heritage.org/research/reports/2005/03/congress-gets-another-chance-to-improve-americas-transportation-should-it-be-its-last AS)

Under current law, federal trust fund spending on highways and transit is distributed among the states according to a complicated mathematical formula that attempts to relate resources to need. The formula has changed little since it was developed decades ago and today contains pervasive inequities that consistently reward some states with more money than they pay in ("donee" states) while shortchanging others ("donors"). The donee states are clustered mostly in New England and the Middle Atlantic, while the donor states are mostly in the South and the Great Lakes region. Table 3 quantifies how states have fared, both in recent years and since the program's inception, relative to the taxes their motorists have paid into the trust fund. Each of the table's cells presents a state's "return ratio," or the ratio of the share of the trust fund spending the state receives compared to the share of the revenues it pays in. For example, because Texas receives 7.6 percent of the trust fund spending but accounts for 8.9 percent of money paid into it, its return ratio is 0.857. Table 3's second column lists the states' return ratios for 2003 (the most recent year for which data are available), and the third column lists the same measure on a cumulative basis for the years since the program was created in 1956.[1] States with a ratio of less than 1.0, such as Texas with its 0.857 ratio in 2003, are donor states, paying in more than they receive back. Others with ratios above 1.0, such as New York with its 1.274 ratio, are donee states. Had Texas received the same share coming out as it paid in, it would have received an additional $379 million in federal highway dollars in 2003. New York motorists, by contrast, accounted for 4.2 percent of the money going into the fund in 2003 but got back 5.4 percent. As the table's third column reveals, inequality among states has characterized the federal highway program ever since its creation 50 years ago. Since 1956, Oklahoma, another big loser, has accounted for 1.7 percent of the money going into the trust but only 1.4 percent of the money coming out. While this difference is only a few tenths of a percent, when applied over 50 years and billions of dollars later, the losses add up: $2.9 billion for Indiana, $9.7 billion for Texas, and $5 billion for Florida.[2] The fifth column lists each state's rank by income and demonstrates another aspect of the highway program's regional inequities: Lower-income states ship money off to the richer ones. Mississippi, ranked 50th by income, is a donor state, shipping money off to Connecticut, a donee state ranked number one in the nation by personal income.

#### Federal government earmarks transportation funds causes mismanagement and bad policy making

Utt 2011 (Ronald, is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. Utt is a veteran of budgetary politics in Washington, having served as director of the housing finance division at the Department of Housing and Urban Development, and senior economist at the Office of Management and Budget, Past director of economic research at the National Association of Real Estate Investment Trusts. Associate chief economist of the U.S. Chamber of Commerce, Federal Highway Program: How Opting Out Would Help States, The Heritage Foundation, July 6th http://www.heritage.org/research/reports/2011/07/federal-highway-transportation-program-why-states-should-opt-out AS)

Funded primarily by motorists and truckers who pay a series of user taxes, federal transportation policy has lost its focus over the past few decades. Spending has been diverted to a number of non-road purposes, earmarking has escalated, and pervasive regional inequities have created financial losers and winners. As Heritage has noted elsewhere, less than two-thirds of federal surface transportation spending from the highway trust fund goes for general-purpose highways.[3] The other one-third funds costly and underutilized transit investments (transit receives 20 percent of federal funds but serves less than 2 percent of urban passengers); bike and hiking paths; metropolitan planning organizations; covered bridge restoration; historic train station conversions; cityscapes and flower planting; earmarks; U.S. Department of Transportation (USDOT) overhead; livability schemes; and low-valued university transportation research centers. Added to these deficiencies is the imbalance between the donee and donor states—the latter being concentrated in the South[4]—and numerous counterproductive regulations that undermine safety (CAFE standards); raise costs (Davis–Bacon); and impose delays on projects (NEPA).

#### Federal government plays only to political consideration and special interest groups- dooms solvency

Ennis 2008 (Michael, Director of the Center for Transportation at Washington Policy Center in Seattle, The heritage Foundation, Reforming State Transportation Policy: Washington State’s Efforts to Implement Performance-Based Policies, September 29th http://www.heritage.org/research/reports/2008/09/reforming-state-transportation-policy, AS)

In business, measuring performance is a way of life. It is viewed as an indispensable tool that shapes decisions on distributing resources and managing a business. In the public sector, however, performance measures are often collected but rarely used to improve overall management. Rather than using performance measures as a management tool or as a way to set goals that the public can understand and support, perfor­mance-based management is treated more like an inconvenience because it might attract attention to the inability to meet ambitious targets. Quantitative mea­sures of performance may also interfere with elected officials' ability to distribute public funds to influential constituencies regardless of value to the taxpayer. Not knowing how a program or service performs indicates that resources are allocated for political rea­sons, not for effectiveness. This is especially true in transportation policy. Across the country, transporta­tion spending decisions are too often tied to political agendas and the wishes of influential constituencies, not objective measures of public need, such as safety and congestion relief. Any hope of implementing a comprehensive regional investment strategy based on cost-effective mobility goals and accountability is ignored as public officials simply hand out (or take away) special favors. While the legislative process should have the final authority in taxing and spending decisions, basing transportation decisions on anything other than performance inevitably leads to a collage of spend­ing that is at best indirectly related to relieving traf­fic congestion or improving safety.

#### Federal programs are inflexible – dooms solvency

Nichols and Holeywell 2011 (Russel GOVERNING staff writer. He is a former city reporter for the Boston Globe and has written stories on business, education, health, arts and religion for numerous publications including the Los Angeles Times and Sacramento Magazine.and Ryan, covers the federal government, municipal distress and transportation issues for GOVERNING. “Six Ideas for Fixing the Nation's Infrastructure Problems, June 2011 http://www.governing.com/topics/transportation-infrastructure/six-ideas-for-fixing-the-nations-infrastructure-problems.html,lj)

States pay for about two-thirds of surface transportation spending. With less money available from the feds, their portion may need to grow—an increasingly familiar storyline in all areas of funding right now. Given that dynamic, states and localities are asking for more flexibility on how they can spend federal dollars and are endorsing plans that would allow the federal government to leverage the limited funds that are available. One idea that has received bipartisan support is a plan known as America Fast Forward. It’s a proposal to expand a federal program of the Transportation Infrastructure Finance and Innovation Act (TIFIA) that provides low-interest loans for transportation projects. The proposal’s biggest cheerleader is Los Angeles Mayor Antonio Villaraigosa. In 2008, Angelinos approved a sales-tax hike for a set of highway and transit projects; but rather than funneling that revenue into new projects outright, Villaraigosa’s goal is to use the money to pay debt on a federal transportation loan. An upfront loan would allow the city to complete its projects rapidly while using the proceeds of its 30-year sales-tax hike to pay it back over time. Currently TIFIA isn’t big enough to accommodate such large-scale plans, which is why Los Angeles has backed a national push to expand the program from $122 million annually to $375 million, and to raise its cap from 33 percent of project costs to 49 percent. “It’s an idea that’s different from a grant program,” says L.A. Deputy Mayor for Transportation Jaime de la Vega. “We’re coming to the table with money and saying we need a partnership. It’s not a handout.” State leaders are also backing a plan to reduce the number of federal highway programs from 55 to five, in an effort to gain greater flexibility in how the dollars are spent. That would help clear up what some people see as troublesome inconsistencies in how funds are meted out. For example, federal aid can be used for preventive maintenance of highways, but routine maintenance is considered a state responsibility. Rhode Island Transportation Director Michael Lewis recently testified before Congress that his state has to take on debt just to get the required match to receive transportation funds, when that money could have been used to perform maintenance. “Now is not the time to tie our hands and limit the use of transportation dollars and assets,” Lewis told Congress. Other options that would grant more power to states have been gaining traction in D.C., including creating an infrastructure bank, expanding public-private partnerships and allowing tolling on interstate highways (an idea LaHood has said he’s open to). However, flexibility can be a double-edged sword, cautions Leslie Wollack, program director for infrastructure and sustainability at the National League of Cities. “If flexibility means a state doesn’t want to spend any [of its own] money on transportation enhancement or transit or to collaborate on what’s going on at the local level, then we see that as a problem.”

#### Federal transportation investment fails- strict regulations

Roth 2010, (Gabriel, civil engineer and transportation economist, June “Federal Highway Funding”http://www.downsizinggovernment.org/transportation/highway-funding/#\_edn0 LJ)

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.¶

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#### Be weary of their evidence- Federal projects overstate benefits and underestimate costs

Edwards 2011 (Chris, Joint Economic Committee United States Congress, “ Infrastructure projects to fix the economy? Don’t bank on it. ” October 21 http://www.washingtonpost.com/opinions/infrastructure-projects-to-fix-the-economy-dont-bank-on-it/2011/10/18/gIQAgtZi3L\_print.html AS)

Looking at the Corps and Reclamation, the first lesson about federal infrastructure projects is that you can’t trust the cost-benefit analyses. Both agencies have a history of fudging their studies to make proposed projects look better, understating the costs and overstating the benefits. And we’ve known it, too. In the 1950s, Sen. Paul Douglas (D-Ill.), lambasted the distorted analyses of the Corps and Reclamation. According to Reisner, Reclamation’s chief analyst admitted that in the 1960s he had to “jerk around” the numbers to make one major project look sound and that others were “pure trash” from an economics perspective. In the 1970s, Jimmy Carter ripped into the “computational manipulation” of the Corps. And in 2006, the Government Accountability Office found that the Corps’ analyses were “fraught with errors, mistakes, and miscalculations, and used invalid assumptions and outdated data.” Even if federal agencies calculate the numbers properly, members of Congress often push ahead with “trash” projects anyway. Then-senator Christopher Bond of Missouri vowed to make sure that the Corps’ projects in his state were funded, no matter what the economic studies concluded, according to extensive Washington Post reporting on the Corps in 2000. And the onetime head of the Senate committee overseeing the Corps, George Voinovich of Ohio, blurted out at a hearing: “We don’t care what the Corps cost-benefit is. We’re going to build it anyhow because Congress says it’s going to be built.”

## ----Ext. Federal Fails- Inefficient

#### SQ Proves the federal government wastes thousands of dollars per year on side projects and earmarks for non-transportation projects.

Utt 2012 (Ronald, is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. Utt is a veteran of budgetary politics in Washington, having served as director of the housing finance division at the Department of Housing and Urban Development, and senior economist at the Office of Management and Budget, Past director of economic research at the National Association of Real Estate Investment Trusts. Associate chief economist of the U.S. Chamber of Commerce, ““Turn Back” Transportation to the States” Feb 7th http://www.heritage.org/research/reports/2012/02/turn-back-transportation-to-the-states) AS

For the first several decades of the federal highway program’s existence, virtually all of its energy and resources were devoted to the task it was created to fulfill: building a 42,000-mile high-speed, limited-access interstate highway system from coast to coast and border to border, connecting all of the major cities in between. That task was largely completed by the early 1980s, and with no compelling and clear objective to guide the highway program in the aftermath of this accomplishment, successive Congresses began the process of diverting the trust fund’s resources to other purposes. While the diversions focused initially on non-road, transportation-related investments such as urban transit programs, non-transportation projects such as nature trails, museums, flower plantings, metropolitan planning organizations, bicycles, Appalachian regional development programs, parking lots, university research, thousands of earmarks, and historic renovation became eligible over time for financial support from the highway trust fund. As a consequence of this growing number of diversions, as much as 35 percent of federal fuel tax revenues paid by the motorists is spent on projects unrelated to general-purpose roads. The magnitude of these leakages also undermines assertions by many in Congress and the road-building industry that road conditions and congestion can be improved if fuel taxes are increased to allow for more highway spending. To the extent that the existing leakages maintain their share of total trust fund resources—as they traditionally do—a substantial portion of any increase in fuel tax revenues will be diverted to spending programs that offer little or no benefit to general motorists or to improvements in capacity, safety, or congestion mitigation. Under the allocations mandated by existing law, an additional dollar raised in tax revenues would provide only an extra 65 cents for roads because 35 percent would be siphoned off for other purposes.

#### Top down approach from the federal government results in inefficient spending and cost overruns

Utt 2003 (Ronald, is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. Utt is a veteran of budgetary politics in Washington, having served as director of the housing finance division at the Department of Housing and Urban Development, and senior economist at the Office of Management and Budget, Past director of economic research at the National Association of Real Estate Investment Trusts. Associate chief economist of the U.S. Chamber of Commerce, Proposal to Turn the Federal Highway Program Back to the States Would Relieve Traffic Congestion, November 21st The Heritage Foundation, http://www.heritage.org/research/reports/2003/11/proposal-to-turn-the-federal-highway-program-back-to-the-states-would-relieve-traffic-congestion AS)

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. 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 in-creased 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 in congestion rose from 30 percent in 1996 to 34 percent in 2001.2

#### Federal involvement creates inefficient policy- means only the CP Spurs economic growth

Edwards 2011 (Chris, Joint Economic Committee United States Congress “ Infrastructure projects to fix the economy? Don’t bank on it. ” October 21 http://www.washingtonpost.com/opinions/infrastructure-projects-to-fix-the-economy-dont-bank-on-it/2011/10/18/gIQAgtZi3L\_print.html AS)

In the description of today's hearing, the committee asked how infrastructure helps to promote growth, jobs, and manufacturing. The short answer is that we can spur growth by ensuring that America's infrastructure investment is as efficient as possible. Infrastructure funding should be allocated to the highest-value projects, and those projects should be constructed and maintained in the most cost-effective manner. My testimony will discuss why reducing the federal role in infrastructure will help to increase the efficiency of our investment. The first thing to note about America's infrastructure is that most of it is not provided by the government, but by the private sector. A broad measure of private infrastructure spending — on items such as buildings, factories, freight rail, pipelines, and refineries — is much larger than government infrastructure spending on items such as roads and airports. In Figure 1, data from the Bureau of Economic Analysis show that private gross fixed investment was $1.7 trillion in 2010, which compared to gross fixed investment by federal, state, and local governments of $505 billion.1 When defense investment is excluded, government infrastructure spending was just $388 billion, or less than one-quarter of private infrastructure spending. One implication of this data is that if Congress wants to boost infrastructure spending, the first priority should be to make reforms to encourage private investment. Tax reforms, such as a corporate tax rate cut, would increase the net returns to a broad range of private infrastructure investments. Regulatory reforms to reduce barriers to investment are also needed, as illustrated by the delays in approving the $7 billion Keystone XL pipeline from Alberta to Texas. Despite its smaller magnitude, public-sector infrastructure spending is also very important to the U.S. economy. But the usual recommendation to simply spend more federal taxpayer money on infrastructure is misguided. For one thing, the government simply can't afford more spending given its massive ongoing deficits. More importantly, much of the infrastructure spending carried out by Washington would be more efficiently handled by devolving it to state and local governments and the private sector.

#### Allocation of federal funds means implementation at the state level fails

Roth 2010 (Gabriel, civil engineer and transportation economist. He is currently a research fellow at the Independent Institute. During his 20 years with the World Bank, he was involved with transportation projects on five continents, “Federal Highway Funding” June, http://www.downsizinggovernment.org/transportation/highway-funding/#5 AS)

Federal aid typically covers between 75 and 90 percent of the costs of federally supported highway projects. Because states spend only a small fraction of their own resources on these projects, state officials have less incentive to use funds efficiently and to fund only high-priority investments. Boston's Central Artery and Tunnel project (the "Big Dig"), for example, suffered from poor management and huge cost overruns.21 Federal taxpayers paid for more than half of the project's total costs, which soared from about $3 billion to about $15 billion.22 Federal politicians often direct funds to projects in their states that are low priorities for the nation as a whole. The Speaker of the House of Representatives in the 1980s, "Tip" O'Neill, represented a Boston district and led the push for federal funding of the Big Dig. More recently, Representative Don Young of Alaska led the drive to finance that state's infamous "Bridge to Nowhere," discussed below. The inefficient political allocation of federal dollars can be seen in the rise of "earmarking" in transportation bills. This practice involves members of Congress slipping in funding for particular projects requested by special interest groups in their districts. In 1982, the prohibition on earmarks in highway bills in effect since 1914 was broken by the funding of 10 earmarks costing $362 million. In 1987, President Ronald Reagan vetoed a highway bill partly because it contained 121 earmarks, and Congress overrode his veto.23 Since then, transportation earmarking has grown by leaps and bounds. The 1991 transportation authorization bill (ISTEA) had 538 highway earmarks, the 1998 bill (TEA-21) had 1,850 highway earmarks, and the 2005 bill (SAFETEA-LU) had 5,634 highway earmarks.24 The earmarked projects in the 2005 bill cost $22 billion, thus indicating that earmarks are consuming a substantial portion of federal highway funding. The problem with earmarks was driven home by an Alaska bridge project in 2005. Rep. Don Young of Alaska slipped a $223 million earmark into a spending bill for a bridge from Ketchikan—with a population of 8,900—to the Island of Gravina—with a population of 50. The project was dubbed the "Bridge to Nowhere" and created an uproar because it was clearly a low priority project that made no economic sense.

## ----Ext. Federal Fails- States Shortchanged

#### Fed fails- short changes state donors

Roth 2010 (Gabriel, civil engineer and transportation economist. He is currently a research fellow at the Independent Institute. During his 20 years with the World Bank, he was involved with transportation projects on five continents, “Federal Highway Funding” June, http://www.downsizinggovernment.org/transportation/highway-funding/#5 AS)

Some states persistently receive more federal highway funding than they pay into the federal Highway Trust Fund. The Federal Highway Administration publishes Highway Statistics each year, showing the amounts the fund receives from each state and the allocation paid to each state from the fund.31 Supporters of federal highway financing use these figures to demonstrate how supposedly beneficial the current system is to all states. However, the receipts-and-allocations data presented in Highway Statistics are misleading. The FHWA divides the dollar amounts of the apportionments and allocations for each state by the amount of revenue paid into the fund by each state. The result is a ratio that overstates the benefits of the federal highway system to individual states for a number of reasons: Interest. Larger amounts are taken out of the trust fund than paid in —in other words, the grand total ratio exceeds 100 percent. For the whole period 1956–2008, the excess from the FHTF was around 13 percent, and for 2008 it was 32 percent.32 The excess is the result of interest earned on the fund's balances. But the interest on unspent balances does not represent additional resources that the federal government provides to the states. Minimum guarantee. The 1998 TEA-21 legislation included a "minimum guarantee" that no state would receive less than 90.5 percent of the amount it paid into the trust fund. The 2005 SAFETEA-LU reauthorization raised the minimum guarantee to 92 percent. To implement the guarantee from 1998, $35 billion—16 percent of the total authorized—was set aside to increase the shares of those states that, under the traditional formulas, received less than 90.5 percent of what they paid into the fund. Yet some of this money also went to states that were already receiving more than they paid into the fund, thereby doing little to remedy prior disparities. As there was no such guarantee before 1998, this rule's effect on total distributions over time cannot be gauged from data provided by the Federal Highway Administration. Exclusion of Mass Transit Account and non-road uses. The FHWA data excludes payments that are transferred to the Mass Transit Account and to other non-road uses. As these make up over 30 percent of fuel tax revenues, the data from the FHWA overstate the benefits of the federal highway program. A better way of showing the inequities between the states is to compare each state's share of money taken out of the highway trust fund as a ratio of the share it paid in.33 If a state's receipts were 3 percent of the whole, and its contribution 2 percent, the share ratio would be 1.5. I have presented such calculations elsewhere and found that there are substantial winner and loser states from the Highway Trust Fund.34 Similarly, a recent analysis by Ronald Utt found that half of the states are shortchanged by the current highway trust fund allocations.35 The Congressional Research Service notes that struggles over recent highway bills have focused on these interstate inequities (rather than on ways to make federal expenditures more productive), with the donor states tending to be in the South and Midwest and the donee states tending to be in the Northeast, Pacific Rim, and West.36 Finally, note that these analyses do not take into account the increased costs in every state from federal regulations and administrative costs. If these were taken into account, road users in very few states would derive any net benefits from federal highway financing.

## ----Ext. Federal Fails- Stringent Restrictions

#### Stringent restrictions on state allocation destroys all state incentive to spend efficiently- state control key

Utt 2004 (Ronald, is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. Utt is a veteran of budgetary politics in Washington, having served as director of the housing finance division at the Department of Housing and Urban Development, and senior economist at the Office of Management and Budget, Past director of economic research at the National Association of Real Estate Investment Trusts. Associate chief economist of the U.S. Chamber of Commerce, “A Note to House and Senate Conferees About the Highway Reauthorization Bill” May 20th http://www.heritage.org/research/reports/2004/05/a-note-to-house-and-senate-conferees-about-the-highway-reauthorization-bill AS)

As with most other federal programs, the requirements imposed on states that receive fed­eral transportation money focus on adherence to a complicated process of rules and regulations. This process-driven approach gives little thought to achieving any particular objective, such as reduc­ing pollution, improving mobility, and/or reducing congestion. As a result, most states and the U.S. Department of Transportation have little incentive to spend this money in ways that make the biggest improvements or to direct it to areas where the need is greatest. In effect, as long as the process-oriented rules are carefully followed, it makes little difference whether the end result provides substantial or triv­ial benefits to motorists. As a result, federal, state, and local politics-rather than legitimate mobility needs-often take precedence in determining both project-specific and regional fund allocation. Because most of the common performance stan­dards related to air quality and congestion mitiga­tion can be independently quantified, an attractive alternative to the present system of allocating money would be to give the states more freedom and flexibility regarding how to spend federal high­way funds. In return for greater freedom, states must make measurable improvements toward quantifiable objectives. Such quantifiable goals could include, for example, reductions in fatalities, reduction of average delays, reduction of daily road-congestion hours, or road surface quality.

## ----Ext. Federal Fails Cost Effective

#### Federal government fails at implementation – proves states superior

Edwards and DeHaven 10, [“Privatize Transportation Spending”, 6/17/10, CATO Institute, Chris Edwards director of tax policy studies at Cato and editor of www.DownsizingGovernment.org. He is a top expert on federal and state tax and budget issues. Senior economist on the congressional Joint Economic Committee, a manager with PricewaterhouseCoopers, and an economist with the Tax Foundation. Holds a B.A. and M.A. in economics, and he was a member of the Fiscal Future Commission of the National Academy of Sciences., , Tad DeHaven is a budget analyst on federal and state budget issues for the Cato Institute. Previously he was a deputy director of the Indiana Office of Management and Budget. DeHaven also worked as a budget policy advisor to Senators Jeff Sessions (R-AL) and Tom Coburn (R-OK). In 2010, he was named to Florida Governor Rick Scott's Economic Advisory Council., <http://www.cato.org/publications/commentary/privatize-transportation-spending>]

After the 2008 election, President Obama promised to "go through our federal budget — page by page, line by line — eliminating those programs we don't need." We haven't seen much of that from the president so far, but at the Cato Institute we are going page by page and finding whole agencies to abolish. If the president ever gets serious about eliminating programs, the $91 billion Department of Transportation would be a good place to start. The DOT should be radically chopped. America's mobile citizens would be better off for it. Rising federal control over transportation has resulted in the political misallocation of funds, bureaucratic mismanagement and costly one-size-fits-all regulations of the states. The solution is to devolve most of DOT's activities back to state governments and the private sector. We should follow the lead of other nations that have turned to the private sector to fund their highways, airports, air traffic control and other infrastructure. The first reform is to abolish federal highway aid to the states and related gasoline taxes. Highway aid is tilted toward states with powerful politicians, not necessarily to the states that are most in need. It also often goes to boondoggle projects like Alaska's "Bridge to Nowhere." Furthermore, federal highway aid comes with costly regulations like the Davis-Bacon labor rules, which raise state highway costs. For their part, the states should seek out private funding for their highways. Virginia is adding toll lanes on the Capitol Beltway that are partly privately financed, and Virginia is also home to the Dulles Greenway, a 14-mile private highway in operation since 1995. Ending federal subsidies would accelerate the trend toward such innovative projects. Another DOT reform is to end subsidies to urban transit systems. Federal aid favors light rail and subways, which are much more expensive than city buses. Rail systems are sexy, but they eat up funds that could be used for more flexible and efficient bus services. Ending federal aid would prompt local governments to make more cost-effective transit decisions. There is no reason why, for example, that cities couldn't reintroduce private-sector transit, which was the norm in U.S. cities before the 1960s. To government planners, intercity high-speed rail is even sexier than urban rail systems. The DOT is currently dishing out $8 billion for high-speed rail projects across the country, as authorized in the 2009 stimulus bill. Most people think that the French and Japanese fast trains are cool, but they don't realize that the price tag is enormous. For us to build a nationwide system of bullet-style trains would cost up to $1 trillion. The truth about high-speed trains is that even in densely-populated Japan and Europe, they are money losers, while carrying few passengers compared to cars, airlines and buses. The fantasy of high-speed rail in America should be killed before it becomes a huge financial drain on our already broke government. Through its ownership of Amtrak, the federal government also subsidizes slow trains. The government has dumped almost $40 billion into the company since it was created in 1971. Amtrak has a poor on-time record, its infrastructure is in bad shape, and it carries only a tiny fraction of intercity passengers. Politicians prevent Amtrak from making cost-effective decisions regarding its routes, workforce polices, capital investment and other aspects of business. Amtrak should be privatized to save taxpayer money and give the firm the flexibility it needs to operate efficiently. A final area in DOT to make budget savings is aviation. Federal aid to airports should be ended and local governments encouraged to privatize their airports and operate without subsidies. In recent decades, dozens of airports have been privatized in major cities such as Amsterdam, Auckland, Frankfurt, London, Melbourne, Sydney and Vienna. Air traffic control (ATC) can also be privatized. The DOT's Federal Aviation Administration has a terrible record in implementing new technologies in a timely and cost-effective manner. Many nations have moved toward a commercialized ATC structure, and the results have been very positive. Canada privatized its ATC system in 1996 in the form of a nonprofit corporation. The company, NavCanada, has a very good record on both safety and innovation. Moving to a Canadian-style ATC system would help solve the FAA's chronic management and funding problems, and allow our aviation infrastructure to meet rising aviation demand. There are few advantages in funding transportation infrastructure from Washington, but many disadvantages. America should study the market-based transportation reforms of other countries and use the best ideas to revitalize our infrastructure while ending taxpayer subsidies.

## ----Ext. Federal Fails-One Size Fits All

#### One size fits all regulations fail to meet the needs of the states

Musser 2012 (Brandon, Graduate student at the Central European University, Economics department, Economic Policy in Global Markets, Master’s Thesis, “The Effects of Fiscal Decentralization on Highway and Transportation Spending in the United States” April 6th http://dw.crackmypdf.com/0996971001342193466/musser\_brandon.pdf AS)

Ultimately, Oates was convinced that in a state with numerous heterogeneous communities, each with its own unique set of preferences, the demand schedule for any public good is likely to differ between communities, sometimes substantially. Oates’ claimed that “the spirit of the unitary solution to the provision of the public service would be to ensure a uniform level of the service over both communities” (1972 pg 6). The best solution that the central government can offer to the expenditure problem, in other words, is to provide the average level of goods and services demanded across all communities. As a result, some communities may end up paying for services that they don’t want, while others are unhappy with the level of service provided and would be willing to pay extra to increase the level.

## Federal Fails- Highways

#### Federal investment in Highways fails – inefficient allocation and wasted resources

Utt 2005 (Ronald, is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. Utt is a veteran of budgetary politics in Washington, having served as director of the housing finance division at the Department of Housing and Urban Development, and senior economist at the Office of Management and Budget, Past director of economic research at the National Association of Real Estate Investment Trusts. Associate chief economist of the U.S. Chamber of Commerce, “Congress Gets Another Chance to Improve America's Transportation: Should It Be Its Last?” March 7th The Heritage Foundation, http://www.heritage.org/research/reports/2005/03/congress-gets-another-chance-to-improve-americas-transportation-should-it-be-its-last AS)

As a result of these wasted diversions of highway money to ineffective programs, low-priority spending, and pork-barrel projects, road congestion has worsened during the period in which the federal highway program followed the dictates contained in the poorly conceived reauthorization bills passed in the 1980s and 1990s. Table 1 provides the recent trends on the Annual Hours of Delay Per Traveler for select cities, as reported by the Texas Transportation Institute. Table 2 provides trends in the TTI Travel Time Index, another measure of congestion for the same select cities. Both measures reveal a dramatic worsening of traffic congestion over the past few decades. Unless the bills being developed in Congress address these many deficiencies, their enactment will do little to relieve the worsening congestion and deteriorating infrastructure that truckers and motorists face each day. Indeed, by squandering valuable resources that could otherwise be devoted to adding capacity, the current legislative proposals will contribute to a further deterioration of highway mobility. With the legislative process on track to spend hundreds of billions of dollars in ways that will provide no meaningful benefits to road users, Members of Congress should insist on something better, and if they fail to get it, the President should be prepared to veto the bill and send it back for improvement. With federal budget deficits now approaching $500 billion, America cannot afford another highway bill as wasteful and useless as the last two.

#### Federal government earmarks highway transportation bills- trading off with funds spent for the actual project

Roth 2010 (Gabriel, civil engineer and transportation economist. He is currently a research fellow at the Independent Institute. During his 20 years with the World Bank, he was involved with transportation projects on five continents, “Federal Highway Funding” June, http://www.downsizinggovernment.org/transportation/highway-funding/#5 AS)

Since 1982, increasing amounts of revenues from the FHTF have been diverted to non-highway uses. The Surface Transportation Assistance Act of 1982 raised the federal gas tax by five cents, with one-fifth of the increase dedicated to urban transit. The 1991 Intermodal Surface Transportation Efficiency Act substituted "flexibility" and "intermodalism" for the "dedication" of fuel taxes to highways. That wording change meant that any transportation-related activity could lay claim to highway money. Under the most recent highway authorization—SAFETEA-LU of 2005—transportation scholar Randal O'Toole figures that only about 59 percent of highway trust fund dollars will be spent on highways.25 Funds from the FHTF will go to mass transit (21 percent), earmarks (8 percent), and a hodge-podge of other activities such as bicycle paths (12 percent). Note, however, that some of the earmark funds will also go to highways. The main diversion is to rail transit, which can be a very inefficient mode of transportation, as discussed in a related essay. Most Americans do not use rail transit and should not have to subsidize expensive subways and rail systems in a small number of major cities that prohibit the use of more modern and effective transit methods, such as shared taxis. As the FHWA table (www.fhwa.dot.gov/safetealu/safetea- lu\_authorizations.xls) indicates, Congress allocates highway money to truck parking facilities, anti-racial profiling programs, magnetic levitation trains, and dozens of other non-road activities. O'Toole finds that the House version of upcoming transportation authorization legislation would reduce the highway portion of FHTF spending to just 20 percent. It would add high-speed rail at 10 percent, fund transit at 20 percent, and provide about 50 percent of the funds to the states to spend on "flexible" projects and earmarks.26

#### And top down regulations increases overall costs

Roth 2010 (Gabriel, civil engineer and transportation economist. He is currently a research fellow at the Independent Institute. During his 20 years with the World Bank, he was involved with transportation projects on five continents, “Federal Highway Funding” June, http://www.downsizinggovernment.org/transportation/highway-funding/#5 AS)

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.

#### Federal funding crowds out private investment

Roth 2010 (Gabriel, civil engineer and transportation economist. He is currently a research fellow at the Independent Institute. During his 20 years with the World Bank, he was involved with transportation projects on five continents, “Federal Highway Funding” June, http://www.downsizinggovernment.org/transportation/highway-funding/#5 AS)

By subsidizing the states to provide seemingly "free" highways, federal financing discourages the construction and operation of privately financed highways. A key problem is that users of private highways are forced to pay both the tolls for those private facilities and the fuel taxes that support the government highways. Another problem is that private highway companies have to pay taxes, including property taxes and income taxes, while government agencies do not. Furthermore, private highways face higher borrowing costs because they must issue taxable bonds, whereas public agencies can issue tax-exempt bonds. The Dulles Greenway is a privately financed and operated highway in Northern Virginia, which cost investors about $350 million to build.37 The Greenway must compete against nearby "free" state highways. It has been tough going, but the Greenway has survived for 15 years. Typical users of the Greenway pay 36 cents in federal and state gasoline taxes per gallon to support the government highways, plus they pay Greenway tolls, which range from $2.25 to $4.15 per trip for automobiles using electronic tolling.38 If the Greenway and other private highways were credited the amounts paid into state and federal highway funds, their tolls could be lowered and more traffic would be attracted to them. That would make better use of private capacity as it could develop in coming years and relieve congestion on other roads. Unfortunately, the proposed version of new highway legislation by the chairman of the House Committee on Transportation and Infrastructure would add new federal regulatory barriers to toll roads in the states.39 Section 1204 of the bill would create a federal "Office of Public Benefit" to ensure "protection of the public interest in relation to highway toll projects and public-private partnership agreements on federal-aid highways." This new office would be tasked with reviewing and approving or disapproving proposed toll rate increases on these projects, among other interventionist activities. This would completely flip around the idea of road tolling as a decentralized market-based mechanism and turn it into a central planning mechanism

## AT: No Funding

#### States can engage in regional coalitions to pay for the CP

Shancke 2011(Tom, Executive Director of the Western High-Speed Rail Alliance “ Rocky Mountain High... ...Speed Rail ” October 14th http://web1.ctaa.org/webmodules/webarticles/articlefiles/RAIL\_28\_Rocky\_Mountain\_High\_Speed\_Rail.pdf AS)

According to a Utah Foundation study published in August 2010 on high-speed rail, the federal system of government in the United States would likely require one of two arrangements to implement high-speed rail across the country, due to the prohibitive expenses for most states to finance high-speed rail on their own. One option, the study said, would be a federally-funded, owned, and operated high-speed rail network. The other option, according to the study, would be for regional coalitions of state governments or regional agencies to collectively fund, own, and operate high-speed rail on a regional basis, possibly with some federal funding A regional coalition like the ones cited in the Utah study, the WHSRA has worked extensively with federal railroad officials and the U.S. Department of Transportation. Working with state officials in Nevada, the alliance also helped secure an initial planning grant from the federal government for the high-demand triangle between Phoenix, Las Vegas and Los Angeles. When the US Department of Transportation (USDOT) released its map in 2009 of future high speed rail lines in the United States, no lines were included in the inter-mountain west region. Rather than complain about the map, the alliance began to lead, advocate and work with the USDOT in a partnership to study the potential of connecting the West with high speed rail.

#### And the efficiencies generated by the States means the plan pays for itself

Holler 2012, April 4 – Communications Director for Heritage Action for America, graduate of Washington College (4/4/12, [http://transportation.nationaljournal.com/2012/04/paying-for-it.php#2190872](http://transportation.nationaljournal.com/2012/04/paying-for-it.php%22%20%5Cl%20%222190872), “Guest: Thinking Outside the Beltway”, CS)

When it comes to the problem of how to pay for our nation’s transportation needs, the temptation in Washington is to view Washington as the solution. After tens of billions in Highway Trust Fund bailouts and nine short-term extensions, it is clear Washington does not hold the answer. The real answer is outside the beltway.¶ Former Pennsylvania Governor Ed Rendell recently scoffed at the idea of looking beyond Washington for transportation funding solutions, saying proponents of such a move “haven’t looked at any of the state budgets recently.” But the Governor misses the point. It is not that states are awash in cash (the federal government isn’t either), but rather that states are much more efficient.¶ Last year, Indiana Governor Mitch Daniels explained his state “can build in 1/2 the time at 2/3 the cost when we use our own money only and are free from the federal rulebook.” Literally just outside the Washington Beltway, a private company is adding four high-occupancy toll lanes for half the cost the government projected, and the lanes are better designed, too.¶ Instead of looking for an innovative solution, too many in Congress prefer to debate various funding mechanisms for months on end knowing they will settle for a gimmick that ensures insolvency. There is a better way; lawmakers just need to know where to look.

#### Money’s already been allocated

Slone 2008 –(Sean, transportation policy analyst at The Council of State Governments “TRANSPORTATION & INFRASTRUCTURE FINANCE,”a csg national report http://www.csg.org/knowledgecenter/docs/TransportationInfrastructureFinance.pdf) AS

The commission points out that any funding mechanism is unlikely to score well on all the criteria, so the choice of an optimal approach will require value judgments to be made by policymakers on the goals they most want to advance.12 Ultimately, the most significant item in this list for many policymakers may be political viability. Regardless of how a funding mechanism may look on paper, decisions about how to enhance revenue to fund transportation are never made in a vacuum. Political considerations always play an important role in determining the direction a state ultimately takes. Nevertheless, drawing on important lessons learned over the years in many states, a consensus appears to have emerged about the steps necessary to successfully propose and enact new or enhanced revenue measures to fund transportation. As the Transportation Research Board’s National Cooperative Highway Research Program points out in a 2007 report, most funding initiatives come about either through legislative actions or through ballot initiatives and referenda. But regardless of how they are generated, the same steps are required to achieve success. They include: Developing a consensus on the scope of current and future transportation needs and on the importance of acting to address them; Developing a specific plan and program of investments for which additional funding is needed and demonstrating what benefits are expected from the proposed investments; Identifying clearly established roles, responsibilities and procedures for executing the plan and implementing the proposed improvements; Describing the revenue sources in detail and providing the rationales for their use; Designing and carrying out a public education and advocacy plan and campaign; Developing sustained leadership and demonstrable, sustained support; and Planning for and laying out a clear and reasonable timetable.23 Assessing the political landscape, researching the options, educating the electorate and implementing new revenue-enhancing measures will occupy a substantial amount of time for state governments in the next few years. The choices and the efforts they make will determine whether our nation’s transportation system ends up on the road to success.

#### History proves states overcome budget challenges on issues of transportation infrastructure

Freeman 2012 [Robert, “United States: This Week in Infrastructure”, In addition to work on numerous annual appropriation and authorization bills, Robert’s legislative experience includes the Intermodal Surface Transportation Efficiency Act, the Transportation Equity Act for the 21st Century, the Norman Y. Minetat Research and Special Programs Act, the USA Patriot Act, and drafting and moving to passage the Maritime Transportation Security Acts of 2002 and 2004. In his tenure with the Senate, he worked closely with the Department of Transportation, the Department of Commerce, the Department of Homeland Security, the Department of Defense, the Federal Maritime Commission, the Federal Trade Commission, the Federal Communications Commission, and the White House. Robert also served on a number U.S. delegations negotiating and implementing bilateral and international transportation and security agreements, March 6th [http://www.mondaq.com/unitedstates/x/167502/Government+Statutory+Law/This+Week+in+Infrastructure](http://www.mondaq.com/unitedstates/x/167502/Government%2BStatutory%2BLaw/This%2BWeek%2Bin%2BInfrastructure)

New York: On February 9, the New York State Thruway Authority and the New York State Department of Transportation released the list of qualified competitive bidders for the new Tappan Zee Hudson River Crossing Project. The four qualified consortiums are the Hudson River Bridge Constructors, Kiewit-Skanska-Weeks Joint Venture, Tappan Zee Bridge Partners (a Bechtel/Tutor Perini Joint Venture), and Tappan Zee Constructors. These qualified groups will have the opportunity to bid on both the design and construction contract for the new bridge. The Infrastructure Investment Act, passed by the New York State legislature in late 2011, allows certain state agencies to use design-build for capital projects relating to physical infrastructure projects. Maryland: Maryland Governor Martin O'Malley has introduced a six percent increase in the state gas tax as a way to raise money for the state's transportation infrastructure needs. The proposed legislation would be phased in over the span of three years and could potentially generate over $600 million for the state. However, so far the plan has received a "chilly" reception with state lawmakers.

## AT: Spending DA

#### Spending on transportation inevitable

Christman and Riordan 2011 (Anastasia and Christine NELP – National Employment Law Project “ State Infrastructure Banks: Old Idea Yields New Opportunities for Job Creation ” http://www.nelp.org/page/-/Job\_Creation/State\_Infrastructure\_Banks.pdf?nocdn=1 AS)

 State and local governments and their constituents already carry much of the burden of funding these critical resources. Nationally, “transportation” is typically the third-largest state expenditure after “education” and “public welfare.”7 Since the Cold War era, local governments have invested more than $1.25 trillion in water and sewer investments.8 As the National Conference of State Legislatures has pointed out, “Local governments—including counties, townships and municipalities—provide approximately 30 percent of total surface transportation funding and own 77 percent of the nation’s roadway miles.”9

#### And its increasing

Musser 2012 (Brandon, Graduate student at the Central European University, Economics department, Economic Policy in Global Markets, Master’s Thesis, “The Effects of Fiscal Decentralization on Highway and Transportation Spending in the United States” April 6th http://dw.crackmypdf.com/0996971001342193466/musser\_brandon.pdf AS)

While infrastructure spending may be declining nationwide, there is quite a lot of variation in public spending on highway and transportation related infrastructure across the 50 states. In 2007, expenditures on highways as a percentage of total state and local expenditures ranged from a low of 3.2% in Georgia to a high of 14.6% in Iowa. Spending on transportation exhibits even more variance across states with a low of 5.4% of total expenditures in Georgia and a high of 23.6% in Kentucky. Different demographic and geographic factors are certainly responsible for some of the observed variance across states. However, on the surface, Georgia, Kentucky, and Iowa are not so drastically different in terms of size, GDP per capita, or geographical location to warrant the huge differences in spending to these factors alone.

## AT: California Spending DA

#### Spending now- High Speed Rail Project

Brownfield 2012 (Mike, Assistant Director of Strategic Communications at The Heritage Foundation. He serves as editor of The Foundry, Heritage's public policy news blog, as well as the "Morning Bell," one of Washington’s most widely read and influential e-newsletters. Mike hails from Southeast Michigan and practiced law in Chicago, Illinois. “California’s High-Speed Spending Spree” The Foundry May 14th http://blog.heritage.org/2012/05/14/californias-high-speed-spending-spree/ AS)

The State of California keeps sinking into a deeper hole of debt, with reports showing that the state’s budget shortfall is projected to be $16 billion, up from $9.2 billion in January. But despite all the red ink, the state is still going ahead with a high-speed rail boondoggle that would cost billions. The LA Times reports: If California starts building a 130-mile segment of high-speed rail late this year as planned, it will enter into a risky race against a deadline set up under federal law. The bullet train track through the Central Valley would cost $6 billion and have to be completed by September 2017, or else potentially lose some of its federal funding. It would mean spending as much as $3.5 million every calendar day, holidays and weekends included — the fastest rate of transportation construction known in U.S. history, according to industry and academic experts. That $6 billion is for just part of the project, which has been estimated to cost as much as $98.5 billion. But note the perverse incentive to spend. California stands to receive as much as $4 billion in federal funds that have either been provided or set aside for the project. If they don’t complete it on time, the LA Times reports, that money disappears. Now the race is on to spend. But all the spending is happening in a state that is already far in the red — and whose leaders are turning toward tax hikes in order to dig themselves out. Gov. Jerry Brown (D) is proposing a 0.25 percent increase in sales tax and an income tax surcharge on wealthy Californians to prevent him from having to cut spending. But that just means more money will be available to spend on projects like California’s high-speed rail.

## AT: Education Impact

#### Education Not critical to competitiveness – no correlation.

Kohn 2K7 (Alfie, Noted Education Policy Wonk, “Against ‘Competitiveness’ – Why Good Teachers Aren’t Thinking About the Global Economy, Education Week, Sept. 19, http://www.alfiekohn.org/teaching/edweek/competitiveness.htm)

Various strands of evidence have converged to challenge the claim that the state of our economy is a function of how good our schools are at preparing tomorrow’s workers.  For individual students, school achievement is only weakly related to subsequent workplace performance.  And for nations, there’s little correlation between average test scores and economic vigor.Schools make a tempting scapegoat when a company’s financial results are disappointing or when the economy as a whole falters.  But an employee’s educational background is only one of many factors that determine his or her productivity.  Worker productivity, in turn, is only one of many factors that determine corporate profitability.  And corporate profitability is only one of many factors that determine the state of the economy – particularly the employment picture.  Does anyone seriously believe, for example, that the main reason U.S. companies are shipping jobs by the millions to Mexico and Asia is because they believe those countries’ schools are better?

#### Education reform will fail – school shortcomings are exaggerated and too many alternate causalities.

Institute for Community Studies 2005 [Private Interests and Education Reform. www.communityknowledge.ne

There is strong evidence suggesting that this reasoning also applies to current school reform efforts. For-profit private companies, for example, made new strides in 1990 when Education Alternatives, Inc., began running South Pointe Elementary School in Dade County, Florida. Education Alternatives was the first for-profit private firm contracted to run a public school (Miner, 2003). More recently, greater opportunities have been created. For example, the No Child Left Behind Act of 2001 (NCLB)sets high standards for public schools but with few additional resources to help attain these goals. NCLB sets up public schools for failure and creates more opportunities in the public school system for private companies. Are the motives behind the act genuinely supportive of the goals of public education – that everyone be adequately educated and that there be equity in education – or is the act a creation that mixes some genuine educational concerns with economic interests that distort the educational goals? More specifically, do these reforms address the educational needs of the young or the profit-making needs of investors? The escalation of economic inequality presents two correspondingly growing problems in education. First, the more obvious, that there will be an even bigger economic gap that education will fail to bridge. The second is much less recognizable and it is the one on which I will focus. This essay will argue that the growth of inequality in the Unites States, particularly the concentration of tremendous wealth in the possession of a relatively small portion of the population, has added significant momentum to the drive for education reform, and in doing so it has exaggerated the shortcomings of our schools and diverted legitimate concerns into a force that aids privatization and profit-making schemes.

## AT: Bioterror Impact

#### No risk of bioterror

 Easterbrook 01 (Gregg Easterbrook, The New Republic Editor, 2001 ["The Real Danger is Nuclear: The Big One," 11/5, <http://vv-vvw.inr.eom/110501feastertKOOk110501.html>])

Psychologically it may be that society can only concentrate on one threat at a time. But if that's the case-anthrax letters notwithstanding-the focus is in the wrong place Biological weapons are bad, but so far none has ever caused an epidemic or worked in war. And it is possible that none ever will: Biological agents are notoriously hard to culture and to disperse, while living things have gone through four billion years of evolution that render them resistant to runaway organisms. Having harmed only a few people thus far, the anthrax scare may tell us as much about bioterrorism's limitations as about its danger.

#### Even if terrorists had biological agent they would not be able to disperse them effectively

Smithson, Ph.D, ’05 (E, project director for biological weapons at the Henry L. Stimson Center, “Likelihood of Terrorists Acquiring and Using Chemical or Biological Weapons”. <http://www.stimson.org/cbw/?SN=CB2001121259>)

Terrorists cannot count on just filling the delivery system with agent, pointing the device, and flipping the switch to activate it. Facets that must be deciphered include the concentration of agent in the delivery system, the ways in which the delivery system degrades the potency of the agent, and the right dosage to incapacitate or kill human or animal targets. For open-air delivery, the meteorological conditions must be taken into account. Biological agents have extreme sensitivity to sunlight, humidity, pollutants in the atmosphere, temperature, and even exposure to oxygen, all of which can kill the microbes. Biological agents can be dispersed in either dry or wet forms. Using a dry agent can boost effectiveness because drying and milling the agent can make the particles very fine, a key factor since particles must range between 1 to 10 ten microns, ideally to 1 to 5, to be breathed into the lungs. Drying an agent, however, is done through a complex and challenging process that requires a sophistication of equipment and know-how that terrorist organizations are unlikely to possess. The alternative is to develop a wet slurry, which is much easier to produce but a great deal harder to disperse effectively. Wet slurries can clog sprayers and undergo mechanical stresses that can kill 95 percent or more of the microorganisms.

#### Bioterror is a lie- at best the data is hopelessly flawed and all signs point to futile scare tactics used by the government

Global security newswire 2005 (Dec 7th “biological terrorism dangers overstated, experts says” David Ruppe Global Security Newswire [www.nti.org](http://www.nti.org))

Washington-US biodefense advocates have been crying wolf on the potential for catastrophic bioterrorism, playing up worst-case scenarios and driving biollions of dollars into developing questionable defenses against questionable threats, a US military analyst said yesterday (See GSN, March 9). Prominent exercises and arguments since the Sept 11 attacks suggesting terrorists could effectively use biological weapons to create catastrophic destruction are backed by few facts and a little hard reliable data, said Anthony Cordesman, who holds the Arleigh A. Burke Chair in Strategy at the Center for Strategic and International Studies and is a national security analyst for ABC News. “I’m not convinced that we have been willing to admit the level of uncertainty, the level of difficulty, and the lack of cedible data, particularly on an unclassified level,” he said, speaking at the Woodrow Wilson Center for Scholars here. While Cordesman acknowledged he has no technical background in biological defense, he does have deveral decades of government national security experience. That includes shutting down US military biological warfare programs at the Defense Advanced Research Projects Agency (DARPA) in the early 1970s after the United States signed onto the Biological Weapons Convention. Before the offensive programs were terminated, he said, little research was done that decisively showed how to effectively weaponize biological agents- which Cordesman described as producing “stable particulates that are disseminated in the air of a very precise size. Frankly we simply did not know how to analyze the impact of weaponization in biological weapons when we terminated our programs, he said. Cordesman also has served as a national security assistant to Senator John McCain (R-Ariz) on the Senate Armed Sevices Committee, as intelligence assessment director in the Office of the Secretary of Defense, as a Civilian assistant to the deputy defense secretary. He said commercial experts have questioned the reliability of data developed by US biological weapons designers on the effectiveness of disseminating such deadly agents. Cordesman said any future biological terrorism would most likely be on a limied scale, and that the United States should focus more on preparing to respond to such an incident and discouraging panic than on planning for the end of the world. I think it is much more likely it will be a low level very crude attack with physiological political and economic impacts at lest initially, he said. Atlantic Storm Cordesman criticized exercses predicting massive casualities from terrorist attacks such as the much publicized “Atlantic Storm” conducted by several nongovernmental US organizations in January. Where are these lethality data coming from? Have you ever read the footnotes on them? Cordesmand Said. It’s a study done years and years ago that was actually using data derived by somebody else and repeating it again and again. The atlantic storm scenario had terrorists enlisting expert help to build aerosolized smallpox weapons used in one day to ultimately infect more than 600,000 people in multiple countries, killing 25 percent of victims. While COrdesman did not participate, he was an observer to Atlantic Storm’s predecessor, Dark Winter, which in the summer of 2001 was conducted by many of the same people. Experts criticized that exercise for assuming an initial small pox transmission rate of 10 people for every person infected and a 33 percent fatality rate, killing as many as 1 million people. I have almost stopped going to biological war games. I don’t find them credible. I don’t find them parametric. I don’t find people are briefing on the uncertainties involving or creating realistic models for decision makers, he said. Time and again they’re either valid by focusing on one narrow issue or are simiply designed to scare the hell out of everybody and show how important the issue is. The time is over frankly where you should run these models, he said. A senior organizer defended the exercises in an email to Global Security Newswire. Cordesman buttonholed me during Dark Winter to tell me how great the exercise was, apparently he charged his mind, said Tara O’Toole, chief executive officer of the center for Biosecurity of the University of Pittsburgh Medical Center. The whole point of both dark winter and Atlantic Storm was to increase awareness of Bioterrorist threats, she said. As a genre smallpox was supposed to be illustrative of the array of potential bioweapons attacks that the types of problems and decisions leaders would conftront. In this regard, both exercises met with some success. A program from COrdesman’s own network, ABC news’s Nightline,” over two nights covered favorably the play-by-play of Atlantic Storm, which included former Secretary of State Madeleine Albright, a French former health minister, a Canadian former foreign minister and a former prime minister of Norway who was also director general of the World Health Organization. Cordesman did not spare the program his critique, I think it was very deterministric. I think it was designed to show how serious the problem could be and that’s what I might expect form a media analysis, he said. “did I think it was valid? Could you tell within the limits of uncertaintly whether this met a credible cause? No. Some of coredesmans’ major point sechoed a Congressional Resarch Sevice report relaeased in May 2004 which concluded that biological terrorism agains the United states would be expecte to produced mass terror but limited Casulties. The potential public threat posed by chemical and biological terrorism is not accurately assessed through the development of worst case scenario exercises such as Dark winter and others that point to US vulnerabilities but not likely threats it says. On spending Cordesman said there is poor decision making on how biological defense money should be spent and poor accounting of the money is used. We are spending a hell of oa lot of money, on what is in many ways almost anybody’s guess, he said. What are we sping it for? When will there be deliverables? What will the deliverables be? How well will they deal with terrosism>? Find me the report, find me the analysis that gives the answers he said. The federal government across agencies spends as much as 7$billion a year on biological defense he said. Onvaccine development and stockpiling programs, which reportedly account for a signigcant portion of the expenditures, he said. “if you look each of them you can’t figure out the cost and effectiveness,” I suspect if nothing else, I could put some of that money into the public health program and stop spending a significant portion of it pretty quickly,” he said. Commission report Criticized Coredesman also criticized a prominent comission’s report on US intelligence capabilities regarding weapons of mass destruction released in March for disclosing insufficient information to help the public understand any al qaeda biological weapons capabilities. The commission also known as the tobb-silberman panel, concluded alquaeda had assembled capabilities for producing an unspecified deadly agend,y supposedly anthrax. Cordesman challenged the reports recommendation to invest more heavily in spsies to penetrate the al-aqeda network. I‘m not sure we can necessarily count on penetrating into these groups. Even were US intelligence able to infiltrate such groups he said, a lack of understanding about effectively weaponsizing biological weapons would happer efforts to understand the capabilities of other states or groups. While the United States conducted some weapons dissemination tests in the past, the research was not extensive or particularly successful, he said. The few test whch were actually effective, and they were chmical not biological had as much of a mistake rate as a success he said.

## AT: No Enforcement

#### State governments can implement audit systems to enforce the CP

Ennis 2008 (Michael, Director of the Center for Transportation at Washington Policy Center in Seattle, The heritage Foundation, Reforming State Transportation Policy: Washington State’s Efforts to Implement Performance-Based Policies, September 29th http://www.heritage.org/research/reports/2008/09/reforming-state-transportation-policy, AS)

In Washington State, the authority to carry out performance audits was created by a state voter ini­tiative (I-900) in 2005, which also defined follow-up steps once a performance audit is completed. These performance audits are to be conducted by the State Auditor, an elected official who operates independently of the legislature, governor, and all other state agencies. Under the new law, within 30 days of an audit's release, the governing body of the audited agency must hold a public hearing to consider the audit findings. Next, the state legislature must consider the findings through its appropriations process. The Joint Legislative Audit and Review Committee (JLARC), the legislature's audit committee, must produce an annual report that demonstrates the audited agency's progress in implementing the find­ings. JLARC must also explain why any recommen­dations are not being implemented. In addition to the initiative that authorized the performance audits, Washington lawmakers passed Senate Bill 6839 during the 2006 legislative session and directed the State Auditor's Office to conduct an independent performance audit of transportation-related agencies. The legislature allocated $4 mil­lion for the review. Before embarking on the audits, State Auditor Brian Sonntag conducted a series of town hall meet­ings and focus groups across the state to determine which areas in transportation were most important to citizens. Based on those results, the auditor chose to analyze four broad topics: traffic congestion, the ferry system, Washington's Department of Trans­portation (WSDOT) administration and overhead, and WSDOT maintenance and construction man­agement. In 2007 and 2008, the State Auditor's Office independently audited these four facets of WSDOT operations, uncovering $110 million in potential cost savings. The Auditor estimated that implementing the recommendations on reducing traffic congestion would produce $3 billion in eco­nomic benefits.

## ----Ext. Audits

#### Audits solve efficient allocation of resources

Ennis 2008 (Michael, Director of the Center for Transportation at Washington Policy Center in Seattle, The heritage Foundation, Reforming State Transportation Policy: Washington State’s Efforts to Implement Performance-Based Policies, September 29th http://www.heritage.org/research/reports/2008/09/reforming-state-transportation-policy, AS)

While some lawmakers are reluctant to relin­quish their control over funding transportation projects to a performance-based system, other legis­lators and state departments of transportation should welcome the new approach. Performance audits can separate areas that are working from those that are not. This information then becomes extremely valuable when deciding how to allocate finite public resources. The current political system and the uncertainty over whether those decisions will actually reduce traffic congestion will put state leaders further behind in meeting the growing demand on their transportation infrastructure. A Washington-style performance audit, not political agendas, is the key to learning what is working and what is not, so that transportation resources are allocated in a strategic and efficient way.

## AT: Fragmentation

#### States can overcome fragmentation

Miller 2009 (John, Virginia Transportation Research Council Office of Intermodal Planning and Investment, Virginia’s Long-Range Multimodal Transportation Plan 2007-2035 INSTITUTIONAL CHANGES IN TRANSPORTATION DECISION MAKING, http://www.virginiadot.org/projects/vtransNew/resources/VTrans2035\_Decisionmaking\_FINAL.pdf AS)

As a way to mitigate the risks of devolution, Giuliano (2007) offers the history of California’s public-private 20 mile Alameda Corridor rail line which successfully brought eight cities, three railroad companies, two ports, and two regional agencies into sufficient agreement to construct the $2.4 billion project. The existence of fragmented power threatened to prevent construction because each entity wielded the ability to stop the project: for example, a city could have refused to allow construction without compensation for adverse impacts (e.g., higher rail volumes and construction noise) or the railroad companies could have refused to sell rights of way necessary for construction. However, the project was ultimately built, with the authority providing mitigation funds to the cities in return for their expedited permits for construction. Giuliano (2007) argues that to achieve this large scale project within a devolved environment and without increasing costs substantially, several conditions were essential, four of which are: 1. Experienced personnel who had the technical and organizational skills necessary to move this complex project forward. 2. An authority (which represented the major players, such as the two ports and the largest cities) with sufficient funding and political power to “buy out” the smaller cities that could otherwise have hindered the project. 3. Clear incentives and disincentives for cooperation, such as the threat of economic harm for the region if the project failed and mitigation funds for the cities. Incentives accrue to multiple parties such as the cities (which benefit from the reduced delays and emissions due to elimination of at-grade rail crossings [Judge, 2002] and the railroads (which benefit from added rail capacity [Alameda Corridor Transportation Authority, 2009). 4. An understanding of the project’s regional benefits and an ability to communicate this importance to all stakeholders.

## AT: Links to Politics- CP Popular (Republicans)

#### Counterplan’s popular with Republicans

Politico 2012 (3/19/12, <http://www.politico.com/news/stories/0312/74196_Page2.html>, “GOP paves way for states to retake road funding”, CS)

Congress may be on the road to re-upping the transportation bill, but there’s still a cadre of lawmakers who say it’s not too late to get the federal government out of the road-building and gas tax business.¶ If anything, some Republicans say they are excited about finally getting some votes on what has long been a conservative dream.¶ Sen. Jim DeMint (R-S.C.) got a vote last week on his amendment to the Senate-passed bill that would send many transportation policy and funding decisions back to the states. The amendment was the first time in years senators got a serious chance to weigh in on the issue, and 30 senators (all Republicans) supported the long-shot attempt. A second devolution offering from Sen. Rob Portman (R-Ohio) failed but also got 30 votes.¶ In the House, GOP Reps. Tom Graves of Georgia, and Jeb Hensarling and Kevin Brady, both of Texas, hope to vote on a similar amendment whenever the House takes up a highway bill.¶ “We’re going to continue the debate in the House,” Graves told POLITICO. “It’s going to be a new debate about how you fund transportation. Do you continue [a program] that adds to the deficit or do you do one that empowers the states?¶ Conservatives see DeMint’s vote and Graves’s offering as good starting points, reminiscent of the long-fought battle over earmarks, now banned for the 112th Congress.¶ Dan Holler, communications director of Heritage Action for America, said the conversation has been changed already. “A floor of 30 senators is a great place to start,” he said.¶ Sen. Barbara Boxer (D-Calif.), who took the lead on both selling and writing the two-year Senate bill, acknowledged, “That vote was too close for my liking.”¶ DeMint says his amendment would cut government redundancy while keeping services intact and efficiently returning spending to the states.¶ “Every time we have a bureaucracy and an administration [in Washington], every state duplicates that. Fifty state highway departments following federal rules and then their own,” DeMint said in an interview. “We can begin to downsize that. So the point is, if we ever want to balance our budget, the way to do it is not to just cut a little, but off every federal function

## AT: Perm

#### Perm fails- forces infighting which kills effectiveness of the program

DeHaven 11, [Tad DeHaven, , Tad DeHaven is a budget analyst on federal and state budget issues for the Cato Institute. Previously he was a deputy director of the Indiana Office of Management and Budget. DeHaven also worked as a budget policy advisor to Senators Jeff Sessions (R-AL) and Tom Coburn (R-OK). In 2010, he was named to Florida Governor Rick Scott's Economic Advisory Council.,, 3/19/11, “Federal Gas Taxes and Federalism”, CATO, <http://www.downsizinggovernment.org/federal-gas-taxes-and-federalism>]

Last week I discussed the Obama administration’s decision to redistribute federal high-speed rail money rejected by Florida Gov. Rick Scott. I noted that “Florida taxpayers were spared their state’s share of maintaining the line, but they’re still going to be forced to help foot the bill for passenger-rail projects in other states.” My underlying point was that the states should be allowed to make their own transportation decisions with their own money. Two Michigan state policymakers — both Republican — want to send the same message to Washington. State representatives Paul Opsommer and Tom McMillin have introduced resolutions that call on the federal government to allow the states to keep the federal gasoline taxes that they send to Washington. (Opsommer’s resolution would have to pass both state chambers, whereas McMillin’s resolution would only need to pass in the Michigan House.) Michigan would no longer send its money to Washington so that it can be washed through Congress and the federal bureaucracy and sent back to Michigan (and the other states) with costly federal strings attached. Instead, highway financing and control would be left to the states. As a Cato essay on federal highway funding argues, re-empowering the states is clearly preferable to the current top-down approach: With the devolution of highway financing and control to the states, successful innovations in one state would be copied in other states. And without federal subsidies, state governments would have stronger incentives to ensure that funds were spent efficiently. An additional advantage is that highway financing would be more transparent without the complex federal trust fund. Citizens could better understand how their transportation dollars were being spent. The time is ripe for repeal of the current central planning approach to highway financing. Given more autonomy, state governments and the private sector would have the power and flexibility to meet the huge challenges ahead that America faces in highway infrastructure. Some people, particularly those with an interest in the current convoluted arrangement, argue that it’s necessary for the enlightened beings in Washington to provide us with a national “vision” or “plan.” But the redirection of Florida’s high-speed rail allotment to other states shows that decision-making in Washington usually has more to do with politics than economics. Conspicuously left out of the Obama administration’s re-spreading of high-speed cheese was Wisconsin, which tried to grab some of the Florida money for an intercity rail line that connects the state to Chicago. Reason’s Sam Staley points out that Wisconsin Gov. Scott Walker also said “no thanks” to the administration’s high-speed rail money. Staley says “the snubbing of the State of Wisconsin smells a lot like political payback,” and links to a piece from a Milwaukee Journal-Sentinel columnist who doesn’t have any doubts. If either or both of the Michigan resolutions pass, Congress can simply choose to ignore the message. Hopefully, more states will take a cue from Michigan, which could make it harder for the folks in Washington to simply look the other way. Regardless, Opsommer and McMillan deserve a round of applause for trying to score one for fiscal federalism.

#### The perm fails—federal funding leads to failure because of lack of motivation

Glasser 2/13 [Edward Glasser, Bloomberg View, A professor of economics at Harvard, he is the author of "Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier and Happier." Glaeser directs Harvard's Taubman Center for State and Local Government and the Rappaport Institute for Greater Boston. He is also a senior fellow at the Manhattan Institute and a contributing editor to City Journal. His areas of research include the economics of cities, housing, segregation, obesity, crime and innovation. Glaeser received his B.A. from Princeton and his Ph.D. from the University of Chicago., “Spending Won’t Fix What Ails U.S. Infrastructure: Edward Glaeser”, 2/13/12, <http://www.bloomberg.com/news/2012-02-14/spending-won-t-fix-what-ails-u-s-transport-commentary-by-edward-glaeser.html>]

DE-FEDERALIZE TRANSPORT SPENDING: Most forms of transport infrastructure overwhelmingly serve the residents of a single state. Yet the federal government has played an outsized role in funding transportation for 50 years. Whenever the person paying isn’t the person who benefits, there will always be a push for more largesse and little check on spending efficiency. Would Detroit’s People Mover have ever been built if the people of Detroit had to pay for it? We should move toward a system in which states and localities take more responsibility for the infrastructure that serves their citizens. The federal government does have a role. It should ensure coordination in nationwide networks. It can embrace smart policies, such as the Education Department’s Race to the Top initiative, that provide incentives for innovation and reform, and the president’s budget seems to move in that direction. The government must go beyond just being the big spender cutting checks. Our current approach has produced a highway system in which, as the Office of Management and Budget once noted, “funding is not based on need or performance and has been heavily earmarked.” The House’s new highway bill may be earmark-free, but it does little to tie spending to need or performance.

#### The perm links to politics

DeHaven, 10 [Tad Dehaven, August 23, 2010, Tad DeHaven is a budget analyst on federal and state budget issues for the Cato Institute. Previously he was a deputy director of the Indiana Office of Management and Budget. DeHaven also worked as a budget policy advisor to Senators Jeff Sessions (R-AL) and Tom Coburn (R-OK). In 2010, he was named to Florida Governor Rick Scott's Economic Advisory Council., “States Shy From HSR Money”, CATO institute, <http://www.downsizinggovernment.org/states-shy-from-hsr-money> MF]

The president’s stimulus package contained an $8 billion downpayment on a national system of high-speed rail. The money came with no state matching requirements, which generated state applications totaling $102 billion. When Congress added a 20 percent state matching requirement to an additional $2.3 billion for high-speed rails grants in this year’s budget, state applications only totaled $8.5 billion. According the Wall Street Journal, federal officials blamed the drop in state interest in high-speed rail money on several factors. But state official confirmed to the Journal that the 20 percent match requirement was the primary reason. The states already have dedicated revenue sources for federal highway aid matching requirements (also 20 percent). With state tax revenues flat due to the recession, where would the money come from to pay for high-speed rail projects? Proposing new taxes to fund high-speed rail would probably be political suicide. And most state policymakers recognize that shifting money away from more popular programs to pay for high-speed rail won’t be any more politically rewarding. The issue is even affecting elections in states that are in line to receive federal funding for high-speed rail. Scott Walker, a Republican candidate for governor in Wisconsin, recently said he’d send back the $810 million in stimulus funds the state has received for a rail line between Madison and Milwaukee. Walker appears to understand that his state has more pressing infrastructure needs and that high-speed rail could become a fiscal black hole

## ----Ext. Perm Fails

#### The permutations involvement of the federal government dooms it—states can do it on their own and they only risk inefficiency

Edwards 2/15, [ Christ Edwards, 2/15/12, CATO Institute, Chris Edwards is the director of tax policy studies at Cato and editor of www.DownsizingGovernment.org. He is a top expert on federal and state tax and budget issues. Before joining Cato, Edwards was a senior economist on the congressional Joint Economic Committee, a manager with PricewaterhouseCoopers, and an economist with the Tax Foundation. Edwards has testified to Congress on fiscal issues many times, and his articles on tax and budget policies have appeared in the Washington Post, Wall Street Journal, and other major newspapers. He is the author of Downsizing the Federal Government and co-author of Global Tax Revolution. Edwards holds a B.A. and M.A. in economics, and he was a member of the Fiscal Future Commission of the National Academy of Sciences., “Reporters Should Think Big on Budget Reforms”, <http://www.downsizinggovernment.org/reporters-should-think-big-budget-reforms>]

The Washington Post did a great job last week comparing spending earmarks by members of Congress with the locations of property they own in their states. Some members are apparently using our tax dollars to expand infrastructure near their homes and businesses, thus gaining a personal benefit from federal spending. Washington Post reporters usually do great research on the spending behaviors of politicians, but they often don’t ask the big-picture questions. The Post has uncovered waste and corruption in earmarking, housing programs, and other federal activities, but the paper usually only suggests superficial reforms such as better ethics rules. When you read the Post story on earmarks, the obvious problem with all the projects identified is that they are properly state, local, and private activities. The story summarized questionable earmarks for 30 members of Congress, and the spending activities included repaving roads, expanding highways, building parking lots, replenishing beaches, dredging harbors, improving traffic signals, and building light rail projects. States, cities, and private businesses can and should finance these sorts of activities by themselves. There is no economic or technical reason why the federal government needs to be involved. Indeed, there are many disadvantages of federal involvement—including the pork barrel politics that the Post does a great job researching. Today in the Post, I see the same problem with Walter Pincus’s interesting article on port dredging, which is carried out by the Corps of Engineers. Members of Congress have been battling to secure Corps’ projects in their districts for 150 years, and it’s always been a wasteful process. (Watch for my forthcoming essay on DG). Pincus hints that port dredging is a subsidy to the “multibillion-dollar import-export business,” and he is right. But he doesn’t then proceed to address the obvious big-picture question: Can businesses support these activities by themselves without subsidies? The answer is yes. Seaports and seaport dredging can be privatized. Hong Kong has the world’s best seaport according to the World Economic Forum (p. 391), and it is privately financed and operated. By contrast, U.S. seaports—which are generally government-owned—ranked just 23rd in the world, according to the WEF. So let me suggest that when reporters are investigating problems with federal programs they ask a few big-picture questions. Is the program really needed? Can state governments or the private sector do it? What can we learn from reforms in other countries? After all, the federal government is running ongoing trillion-dollar deficits. To solve its giant fiscal problems, it will need much more than ethics and earmark reforms. For background, see essays on privatization, fiscal federalism, and transportation.

#### Federal funding to states maximizes state debt because they undertake expensive projects with the hope of some federal handouts—kills the perm

Brownfield, 10 [Mike Brownfield, October 24, 2010, Senior Digital Communications Associate at The Heritage Foundation Website Designer at Freelance Website Design Director of Public Affairs at Michigan Attorney General Campaign Manager at Knollenberg for Congress Associate at Hirst & Chanler LLP Judicial Extern at Federal Magistrate Jeffrey Cole, Northern District of Illinois Law Clerk at LaRose & Bosco, Ltd. Media relations intern at Michigan Attorney General Mike Cox Staff Assistant at U.S. Representative Joseph Knollenberg Campaign Manager at John Akouri for State Representative Reporting and Editing Intern at Ann Arbor News, The Foundry, <http://blog.heritage.org/2010/10/14/free-money-its-a-nifty-gift-from-the-federal-government/>]

Would you like a $14-billion taxpayer-funded tunnel in your town? How about a $500 million light rail train to nowhere? As state and local governments are under crushing budget constraints, mega-sized infrastructure boondoggles are cropping up all over the country. With the promise of “free money” from the federal government, these projects are proving too tempting for state governments to turn down. In the City of Detroit, a $500 million light rail train is being built to connect the downtown area with outlying suburbs. Critics say that the train is inadequate because it’s not part of a regional transportation system and that it will, in effect, be a train to nowhere. Detroit News reporter Charlie LeDuff complains that of all the things Detroit needs — ambulances, for example — is a light rail train really on top of the list? So why build it? Well, why the heck not? The federal government is footing most of the bill for the Detroit light rail, thanks to “a nifty Congressional agreement,” as MLive’s Jonathan Oosting describes it. If you see federal dollars as “nifty” play money that falls from the sky, it doesn’t seem like that bad of a deal, right? Michigan State Representative Marie Donigan (D), who was interviewed about the train for a Reason.tv video (above), is all for taking the free money. She scoffed at the notion that there is only so much cash to go around: So we have a limited pool of money, right? Is that what you’re saying? There’s only so much money in the world ever? Obviously that’s not true.” Note to Rep. Donigan: Detroit, which has to chip in $55 million for the rail, has a deficit of $85 to $125 million and in April faced a budget deficit of $331 million. Meanwhile, the State of Michigan will see a $1.6 billion budget shortfall next year. It seems there IS a limited supply of money for state and local governments, after all. Not every state official in America is jumping at the prospect of free money. In New Jersey, Gov. Chris Christie faces the choice of whether to continue an over-budget, under-construction rail tunnel under the Hudson River from New Jersey to Manhattan. The project was to have cost anywhere from $8.7 billion to $14 billion or more, with the State of New Jersey picking up the tab on any cost overruns and possibly tripling the state’s bill. Christie last week chose to pull the plug, though some are lobbying him to revisit his decision. The plain-talking governor said the high cost of the project is a price his state can’t afford, even with the federal government kicking-in $3 billion: I have made a pledge to the people of New Jersey that on my watch I will not allow taxpayers to fund projects that run over budget with no clear way of how these costs will be paid for. Considering the unprecedented fiscal and economic climate our State is facing, it is completely unthinkable to borrow more money and leave taxpayers responsible for billions in cost overruns. Proponents of the project argue that the tunnel will create 6,000 construction jobs, reduce greenhouse gas emissions, and give the region’s transit system a much-needed lift. But that might not all be true. Wendell Cox writes at newgeography.com that the need for the project has been exaggerated based on “questionable population and employment projections,” and that its cost could skyrocket even further than estimated. The debate rages amid the backdrop of President Barack Obama’s renewed call for a $50 billion jobs and infrastructure plan. But Reuters notes, just after Obama first announced his plan in September, a Rasmussen poll “found a majority of U.S. voters thought cutting government spending and deficits was a better way to create new jobs than the president’s proposal.” That’s with good reason. The Heritage Foundation’s Ronald Utt, Ph.D., notes that the first Obama stimulus, which included $48.1 billion for infrastructure, “did little to spur the recovery and nothing to create new jobs,” leaving us only with massive deficits. Why take another spin on the infrastructure spending scheme, given the historical failure of transportation spending to create jobs? Even if the tunnel project has real value for the region, it still has to be paid for, and therein lies the problem. As Christie said, “The bottom line is this. New Jersey has gone for too long … ordering things that it can’t pay for. When weighing all the interests I simply cannot put the taxpayers of the state of New Jersey on what would be a never-ending hook [for cost increases].” In other words, the taxpayers aren’t an ATM, and there are limits to how much government can withdraw. It’s a lesson of restraint that government leaders around the country would be well-advised to learn, as the Washington Free Money Express rolls into town.

## AT: Constitution Proves States Have no Control

#### Constitution gives states the right to regulate transportation- the federal government usurped these powers.

Roth, 2010, Research Fellow at The Independent Institute, (Gabriel, June, Federal Highway Funding, “Downsizing the Federal Government http://www.downsizinggovernment.org/transportation/highway-funding/)AS

Article 1, Section 8 of the Constitution gives Congress the power "to establish Post Offices and post Roads." In 1806, Congress approved funding from the proceeds of land sales to construct the "National Road" westward from Maryland.9 But there were doubts about whether the federal government was allowed to fund such "internal improvements" under the limited powers granted it under the Constitution. President Thomas Jefferson requested Congress to amend the Constitution to allow such expenditures, but Congress declined to do so. In 1817, President James Madison vetoed a bill that would have provided federal aid to construct roads and canals.10 He was followed by Presidents Monroe, Jackson, Tyler, Polk, Pierce, and Buchanan, who all vetoed transportation bills on the grounds that they were unconstitutional. However, by the late 19th century the federal government was occasionally providing grants of land to the states to raise funds for road construction.11 The highway laws of 1916 and 1921 were the first major federal interventions into road financing. These laws authorized regular federal grants to the states for highways and established the Federal Bureau of Public Roads, the predecessor to the Federal Highway Administration. The laws were passed after years of intense lobbying by road building companies and state highway interests.12 With the federal grants came the beginning of top-down regulatory controls of America's roads from Washington.13 The origins of the Interstate Highway System can be traced to the presidency of Franklin Roosevelt. The Federal-Aid Highway Act of 1938 directed the Bureau of Public Roads to study the feasibility of a six-route toll network. The subsequent report rejected toll highways and proposed a non-toll interregional highway network which was later established as the 41,250-mile "Interstate and Defense Highway System."14 President Dwight Eisenhower had long been interested in national highways and participated in a 1919 transcontinental motor convoy from Washington D.C. to San Francisco. Subsequently he was impressed by the German autobahn network, which he saw and used during World War II. In 1954 the Eisenhower administration unveiled a $50 billion proposal to create a national highway network within a 10-year period. The subsequent Federal-Aid Highway Act of 1956 was designed to create a national 41,250-mile highway system to be completed by 1969. The law authorized $25 billion to finance 90 percent of the cost, with funds disbursed to the states by Congress from a federal Highway Trust Fund created for the purpose. The powers under the 1956 Act were supposed to expire in 1972, but that sun never set. The highway program was repeatedly renewed and the length of the Interstate Highway System was increased.15 Construction was formally completed in 1996, but federal financing was then directed to a brand new 160,000-mile "National Highway System."16 The primary sources of federal highway funds are fuel taxes. After a number of initiatives to establish a federal gas tax beginning in 1914, a tax was enacted in 1932 at 1 cent per gallon. The tax was supposed to be a one-year source of funds to deal with a temporary federal budget deficit, but like many "temporary" government measures, the gasoline tax became part of permanent federal law.17 Congress increased the gasoline tax rate over the years, and it reached the current 18.4 cents per gallon in 1994.18 The tax rate on diesel fuel is currently 24.4 cents per gallon. State governments impose their own fuel taxes, and in 2009 the average state gasoline tax was 18.5 cents per gallon.19 Initially, revenues from the gasoline tax flowed into the federal government's general fund. But in 1956, the Federal Highway Trust Fund (FHTF) was established to finance the construction of the Interstate Highway System. However, Congress has increasingly spent FHTF monies on non-highway uses, such as urban transit. The sources and uses of revenues in the FHTF have become ever more complicated, and the spending allocations across the 50 states and different types of activities illustrate central planning run amok.20

The federal government will back down against collective action

Boldin 09 – senior editor and contributing writer for Populist America (Michael Boldin, “Tennessee Governor Signs Sovereignty Resolution”, Tenth Amendment Center, 6/27/09, http://www.tenthamendmentcenter.com/2009/06/27/tennessee-governor-signs-sovereignty-resolution/#more-2275)

Tennesse Governor Phil Bredesen signed House Joint Resolution 108 (HJR0108), authored by State Rep. Susan Lynn. The resolution “Urges Congress to recognize Tennessee’s sovereignty under the tenth amendment to the Constitution.” The House passed the resolution on 05/26 by a vote of 85-2 and the Senate passed it on 06/12 by a vote of 31-0. Six other states have had both houses of their legislature pass similar resolutions - Alaska, Idaho, North Dakota, South Dakota, Oklahoma and Louisiana - but Tennessee is the first to have such a resolution signed by the Governor. A GROWING MOVEMENT Passage of this resolution appears to be part of what is now a growing state-level resistance to the federal government on various levels. Similar 10th Amendment resolutions have been introduced in 36 states around the country, and various states are considering single-issue legislation in direct contravention to federal laws. Most recently, the Arizona Legislature passed a measure for public approval on the 2010 state ballot that would give Arizona voters the opportunity to nullify, or opt out, of any potential national health care legislation. Since 2007, more than two dozen states have passed legislation refusing to implement the Real ID act of 2005. In response, the federal government has recently announced that they want to “repeal and replace” the law due to a rebellion by states.

## AT: Race to the Bottom

#### Claims that states will "race-to-the-bottom" are false

Cannon 7[Michael Cannon, (Dir., Health Policy Studies, Cato Institute), CATO BRIEFING PAPERS, Sept. 13, 2007, 9]

Competition among the states would drive insurance reguladon toward an equilibrium—or multiple equilibria—between too much and too little regulation. States would be unlikely to engage in a "race to the bottom" by eliminating important consumer protections: the first people to be injured by such unwise regulatory policies would be the voters in that very state, who would then punish the responsible officials.

#### States don’t race to the bottom – their argument is theoretically and empirically bankrupt. Firms base siting decisions on other factors, federal standards don’t stop competition, and states compete to improve the environment

Jonathan H. Adler, Assoc. Law Prof @ Case Western, Jan. 2005, “Judicial Federalism,” 90 Iowa L. Rev. 377, ln

A common concern voiced in environmental policy debates is that lessening federal authority will lead to environmentally harmful interjurisdictional competition. Specifically, the lack of federal regulation will set off a "race to the bottom" in which state jurisdictions compete for corporate investment and economic development by reducing [\*467] environmental safeguards. 598 The theory is based upon the intuitive notion, supported by some empirical evidence, 599 that firms are more likely to invest in states with less costly regulatory regimes. This concern is the "central underpinning" of federal environmental regulation 600 and has been relied upon by courts to uphold federal environmental statutes against constitutional challenges. 601 Yet on both theoretical and empirical grounds, concerns about an environmental race to the bottom seem overstated. Professor Revesz has demonstrated that the framework underlying the race to the bottom theory has several analytical failings. 602 Firms base siting and relocation decisions on a wide range of criteria, of which environmental regulation is only one, and there is ample evidence that other factors typically play a greater role in such decisions. 603 Tax rates, infrastructure, availability, cost, skill of local labor, and other regulatory policies are also important considerations for businesses. If the race to the bottom operates in the environmental sphere, there is every reason to expect it to operate to the same extent in these other contexts, suggesting that federal regulation would be necessary across the board. 604 In this way, the race to the bottom theory - if taken seriously - proves too much. In addition, the adoption of minimum federal environmental standards to prevent a race to the bottom in environmental policy would not eliminate the competitive pressures. Rather, it would shift them to other contexts, and the hypothesized welfare [\*468] losses would remain. 605 Professor Revesz also points out that the same dynamic that could theoretically produce systematic environmental underregulation could also produce overregulation. 606 If states are more aggressive at competing for industry through tax policy than through environmental policy, the likely result would be suboptimal tax rates but superoptimal levels of regulation. 607 The theory persists, despite its flaws, because it is reasonable to assume that jurisdictions will seek to create a comparatively more attractive investment climate in order to better compete economically. Insofar as environmental regulations impose significant economic burdens on existing and prospective economic actors in a given area, it is also reasonable to expect jurisdictions to act so as to lessen such burdens. 608 Recent empirical work suggests that this is in fact the case as government officials acknowledge efforts to reduce the economic pinch of environmental regulation for economic purposes. 609 Yet for this to prove the race to the bottom hypothesis, it is necessary to further assume that reducing the economic cost of environmental regulation necessarily reduces the level of environmental protection. While such a conclusion may be justified in certain contexts, it cannot be assumed across the board. As not all environmental protection measures produce equivalent levels of environmental protection at equivalent costs, it should be possible for many jurisdictions to reduce the economic cost associated with environmental measures without sacrificing environmental quality. 610 In addition, it is important to recognize that many states compete for citizens by seeking to improve their environmental performance. Because many people may be more likely to move to a state with high levels of environmental quality, this [\*469] creates pressure for states to adopt more protective environmental policies. 611 In practice, the race to the bottom has not been observed in environmental policy. 612 As already noted, state and local governments often regulated well before the federal government became involved. While this fact alone does not disprove the race to the bottom thesis - such state regulations could still have been suboptimal when compared to the federal alternative or some theoretical ideal - they demonstrate that competitive pressures do not preclude effective state regulation. More significantly, where the race to the bottom thesis has been directly tested in the context of wetlands, the pattern of state regulation has been precisely the opposite of what the theory would predict.

## AT: Links to Politics

#### President can’t take credit for state action

Danielson ’95 (Michael, Prof PoliSci @ Princeton, Regulating Regional Power Systems, p. 57)

Expansion of the national government also is a product of the natural inclination of federal officials to advance their interest by using the instrument at hand, the national government. Despite their state and local constituency base, members of Congress usually seek to use the resources of the government they can best influence, the national government, to respond to problems. The president’s perspective is national and the presidency’s prime means is the national government, regardless of fervent campaign speeches about the virtues of government close to the people. Federal agencies, like all organizations, seek more rather than less to do, bigger rather than smaller budgets, and expanding rather than contracting staffs. These natural tendencies have been amplified in the case of Congress by the growing importance in congressional elections of nationally based campaign funds raised by political action committees interested in having the federal government advance their interests.

## AT: Rollback

#### Federal government won’t rollback state action --- even when controversial

Goldsmith ’97 (Jack, Associate Prof – U Chicago, Virginia Law Review, November, Lexis)

The rise in subnational foreign relations activity tells us little, of course, about the activity's normative desirability. But we should also avoid the automatic assumption that this development is normatively undesirable. This is especially true because the federal political branches have made clear that, in contrast to traditional foreign relations activities which largely have been federalized through statute and treaty, they do not always, or even usually, prefer federal regulation of these new foreign relations issues. The recent increase in state and local involvement in such issues "has occasioned little reaction from Congress or the Executive." [232](http://www.lexis.com/research/retrieve?_m=30e57da0c4e98dad4748fc94bcd482ae&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=4c3bbc49db3765e390d1f2e67acc99c4#n232) And when the political branches do react, they often choose to protect state interests over foreign relations interests when the two appear to clash. A good example is the United States' recent ratification of a variety of international human rights treaties. [233](http://www.lexis.com/research/retrieve?_m=30e57da0c4e98dad4748fc94bcd482ae&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=4c3bbc49db3765e390d1f2e67acc99c4#n233) These treaties create numerous potential [\*1675]  conflicts with state law. [234](http://www.lexis.com/research/retrieve?_m=30e57da0c4e98dad4748fc94bcd482ae&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=4c3bbc49db3765e390d1f2e67acc99c4#n234) In the face of international pressure, the President and Senate have consistently attached reservations, understandings, and declarations to these treaties to ensure that they do not preempt or affect inconsistent state law. [235](http://www.lexis.com/research/retrieve?_m=30e57da0c4e98dad4748fc94bcd482ae&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=4c3bbc49db3765e390d1f2e67acc99c4#n235) Similarly, California's worldwide unitary tax on multinational corporations has provoked enormous diplomatic controversy with our closest trading partners since the 1980s. [236](http://www.lexis.com/research/retrieve?_m=30e57da0c4e98dad4748fc94bcd482ae&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=4c3bbc49db3765e390d1f2e67acc99c4#n236) The President negotiated a treaty that would have preempted this law, but the Senate withheld its consent. [237](http://www.lexis.com/research/retrieve?_m=30e57da0c4e98dad4748fc94bcd482ae&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=4c3bbc49db3765e390d1f2e67acc99c4#n237) And in the face of substantial pressure from foreign governments, Congress consistently failed to enact legislation preempting the unitary tax. [238](http://www.lexis.com/research/retrieve?_m=30e57da0c4e98dad4748fc94bcd482ae&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=4c3bbc49db3765e390d1f2e67acc99c4#n238)

## Theory Booster- Lit Proves

#### Here is evidence which supports our claim – literature supports a devolution to the states.

McGuigan, 2011, award-winning journalist, senior editor at The City Sentinel, and capitol editor for Tulsa Today, (Patrick B, July 29, 2011, CapitolBeakOK: Transportation Federalism -- and Flexibility -- Proposed in New Bill from Coburn, Lankford, <http://lankford.house.gov/index.php?option=com_content&task=view&id=756&Itemid=100023>) AS

A bill giving greater authority and control over transportation funding was introduced in Congress yesterday, with U.S. Sen. Tom Coburn of Muskogee and U.S. Rep. James Lankford of Oklahoma City as leading proponents. Governor Mary Fallin and Oklahoma Secretary of Transportation Gary Ridley applauded the proposal, as did a representative of the state's leading free market “think tank.” According to a press release from advocates in the nation's capital, “the State Transportation Flexibility Act that would allow state transportation departments to opt out of the Federal-Aid Highway and Mass Transit programs. Instead, these states would be able to manage and spend the gas tax revenue collected within their state on transportation projects without federal mandates or restrictions.” A total of of 14 members of the Senate and 24 members of the House of Representatives have joined as co-sponsors. Besides the pair of Oklahomans, supporters included Sens. John McCain of Arizona, David Vitter of Louisiana, Orrin Hatch of Utah, John Cornyn of Texas, Johnny Isakson of Georgia, Daniel Coats of Indiana, Mike Lee of Utah, and Rob Portman of Ohio. Rep. Jeff Flake of Arizona is advocating for the bill in Congress, alongside Lankford.

#### Debates in the congress prove devolution rooted in the literature

Snider and Everett 2012 (Adam a transportation reporter for POLITICO Pro. Before joining POLITICO, he covered transportation issues for nearly four years at BNA, where his work won the company’s Beltz Award for Editorial Excellence. and Burgess Transportation reporter for POLITICO Pro. He previously was a Web producer, helping run POLITICO’s Twitter and Facebook accounts, and a contributor to the On Media blog, GOP paves way for states to retake road funding, March 19th http://www.politico.com/news/stories/0312/74196.html) AS

Congress may be on the road to re-upping the transportation bill, but there’s still a cadre of lawmakers who say it’s not too late to get the federal government out of the road-building and gas tax business. If anything, some Republicans say they are excited about finally getting some votes on what has long been a conservative dream. Sen. Jim DeMint (R-S.C.) got a vote last week on his amendment to the Senate-passed bill that would send many transportation policy and funding decisions back to the states. The amendment was the first time in years senators got a serious chance to weigh in on the issue, and 30 senators (all Republicans) supported the long-shot attempt. A second devolution offering from Sen. Rob Portman (R-Ohio) failed but also got 30 votes. In the House, GOP Reps. Tom Graves of Georgia, and Jeb Hensarling and Kevin Brady, both of Texas, hope to vote on a similar amendment whenever the House takes up a highway bill. “We’re going to continue the debate in the House,” Graves told POLITICO. “It’s going to be a new debate about how you fund transportation. Do you continue [a program] that adds to the deficit or do you do one that empowers the states? Conservatives see DeMint’s vote and Graves’s offering as good starting points, reminiscent of the long-fought battle over earmarks, now banned for the 112th Congress. Dan Holler, communications director of Heritage Action for America, said the conversation has been changed already. “A floor of 30 senators is a great place to start,” he said. Sen. Barbara Boxer (D-Calif.), who took the lead on both selling and writing the two-year Senate bill, acknowledged, “That vote was too close for my liking.” DeMint says his amendment would cut government redundancy while keeping services intact and efficiently returning spending to the states. “Every time we have a bureaucracy and an administration [in Washington], every state duplicates that. Fifty state highway departments following federal rules and then their own,” DeMint said in an interview. “We can begin to downsize that. So the point is, if we ever want to balance our budget, the way to do it is not to just cut a little, but off every federal function.”

#### Discussion about the states is key to methodology and good policy making

Watkins 2012 – Thesis for partial fulfillment of the requirements for the Degree of Bachelor of Arts with Departmental Honors in Economics at Wesleyan University [Miles, April 2012, “Party in the House? Examining the Effects of Political Control on State Government Spending,” Page 3-4, <http://wesscholar.wesleyan.edu/cgi/viewcontent.cgi?article=1796&context=etd_hon_theses>]

Focusing on American state governments, rather than those at the national or local levels, offers several methodological advantages. The states together provide a cross-section of data that is consistent over time, where all units face a “common institutional framework and cultural milieu” (Dye 1966 p. 11). This would not be available in a study of federal spending, and allows for the use of more powerful and precise econometric techniques; for example, I am able to eliminate from my regressions the perturbing effects of a state’s culture, geography, and political history. State data also trumps that of local governments, which suffer from incomplete and highly disaggregated information. Especially pertinent to my study is the fact that the majority of municipalities hold nonpartisan elections; this would prevent me from using an unbiased sample in my regressions (Ferreira & Gyourko 2009). Overall, little is sacrificed by choosing to study the states; the results of my study of state governments are largely applicable to local and federal ones as well, since in general there are great similarities in politics between different levels of American government (Gray et al. 1985 p. 89). Beyond those statistical issues, state public policy is also worthy of analysis in and of itself. States provide residents with crucial public goods and services, such as welfare, higher education, and transportation infrastructure. Further, in light of an increasingly polarized and gridlocked Washington, in the coming years state governments will likely take on more importance in determining the economic and social future of the United States (Katz & Bradley 2011).

## Funding Mechanism- State Infrastructure Banks

#### Text: The 50 United States and relevant territories should uniformly create state infrastructure banks.

#### Solves for funding- create a more efficient allocation of funds for transportation projects

Slone 2011 (Sean, transportation policy analyst at The Council of State Governments“ State Infrastructure Banks ” July 5 The knowledge Center: The Council of State Governments, http://knowledgecenter.csg.org/drupal/content/state-infrastructure-banks AS)

State infrastructure banks can help states stretch their state and federal dollars and meet the demands of financing large, impactful, long-term infrastructure projects. When government agencies and authorities must seek yearly grants and allocations to finance projects, the completion of those projects can be delayed for months or years. State infrastructure banks can identify, promote and lend money to creditworthy transportation projects to ensure they’re built within a reasonable timeframe and in a financially sustainable way. And because these banks act as a “revolving fund,” more projects can ultimately be financed. When bonding is used to finance a project, the bonds are usually one of two types: revenue or general obligation. Revenue bonds often are used to finance infrastructure projects that have the ability to produce revenue through their operations; for example, new highway lanes that can be tolled or public transit facilities on which fares can be collected. These types of bonds are typically guaranteed by the project revenues, but not by the full faith and credit of a state, city or county. General obligation bonds, on the other hand, are backed by the full faith and credit of the issuing authority. These are used to finance projects that rely on government’s general revenues, such as income, sales and property tax revenue. Cities, counties and states pledge these revenues to issue the bonds and repay them. But the revolving fund aspect of a state infrastructure bank means states can lend funds for projects and receive loan repayments, which can be returned to the system for more project loans. The funding also can be turned into much larger credit lines, multiplying transportation investment capacity. When transportation projects are financed in a traditional way, funds from a state department of transportation or the federal Highway Trust Fund are spent and two types of risk are assumed. Projects are at risk of delay as state officials wait for the state or federal funds to become available, which may increase the costs and delay the project’s benefits. Secondly, states face the risk that a poorly selected project will fail to produce social or economic benefits and tie up scarce capital resources that could have gone to other potentially more successful projects. Both of those risks are diminished with state infrastructure bank financing. First, projects don’t have to wait for funding and delays and cost overruns are avoided. Secondly, a state infrastructure bank has a built-in project evaluation process. Projects are assessed based on their financial viability, which provides a level of economic discipline that is not always present with traditional state project funding. Better, more benefit-producing projects can be the result.4

## ----2NC State Infrastructure Banks

#### State level infrastructure banks solve for funding of TII

Musser 2012 (Brandon, Graduate student at the Central European University, Economics department, Economic Policy in Global Markets, Master’s Thesis, “The Effects of Fiscal Decentralization on Highway and Transportation Spending in the United States” April 6th http://dw.crackmypdf.com/0996971001342193466/musser\_brandon.pdf AS)

An additional source of funding for infrastructure projects, including highways, is state infrastructure banks (SIBs). In 2005, President Bush signed into law the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), which established a new SIB program under which all states “are authorized to enter into cooperative agreements with the Secretary of Transportation to establish infrastructure revolving funds eligible to be capitalized with Federal transportation funds authorized for fiscal years 2005-2009” (www.transportation-finance.com). The banks can then offer a range of loans and credit assistance enhancement products that are used to leverage Federal funds in an effort to attract additional non-Federal public and private sponsors of highway and transportation projects. SIB funds can also be used as collateral to issue bonds or establish a guaranteed reserve fund. All three states under consideration have SIBs and are used to varying degrees for funding projects. As of December 2008, New York had entered into ten different SIB loan agreements with a value of $27.7 million. Washington had only entered into three such agreements with a total value of $2.3 million, while South Carolina had thirteen such agreements with a total value of $3.3 billion, by far the largest amount in the nation.

## Funding Mechanism – Local Option Transportation Taxes

#### Text-

#### Local option transportation taxes solves funding

Wachs 2003 (Martin, Ph.D. and M.S. in urban and regional planning, Northwestern University; B.S. in civil engineering, City University of New York, Local Option Transportation Taxes: Devolution as Revolution, http://www.uctc.net/access/22/Access%2022%20-%2002%20-%20Local%20Option%20Transportation%20Taxes.pdf AS)

For eighty years, motor fuel taxes have paid most costs of building and operating major roads in the US. As public policy gradually came to favor a transportation system balanced between private cars and public transit, highway user fees also contributed to construction and operation of transit systems. But a major change is now underway, and most citizens are not even aware it is happening. Federal and state fuel taxes, though still the largest source of revenue for transportation, are rising much more slowly than travel volumes and transportation costs. They no longer cover the costs of building, operating, and maintaining the transportation system. And instead of raising fuel taxes or introducing electronic toll collection systems, legislators are allowing local governments to raise funds locally even if not through user fees—thus changing the basis of transportation finance. Cities, counties, and transit districts are increasingly turning to “local option transportation taxes” to fund new transportation investments. The most visible examples of these in recent years have been voter-approved sales taxes funding particular roads and rail transit projects.

## ----2NC Local Option Transportation Taxes

#### Local option transportation taxes solves

Wachs 2003 (Martin, Ph.D. and M.S. in urban and regional planning, Northwestern University; B.S. in civil engineering, City University of New York, Local Option Transportation Taxes: Devolution as Revolution, http://www.uctc.net/access/22/Access%2022%20-%2002%20-%20Local%20Option%20Transportation%20Taxes.pdf AS)

A surge in local ballot measures has been taking up the slack caused by the drop in fuel tax revenues at the state and federal levels. Before 1980, few states encouraged or even permitted their towns or counties to levy their own transportation fees, except for the property taxes traditionally used for neighborhood streets and county roads. In the ’70s, major metropolitan areas adopted permanent sales taxes to support the development of new transit systems; in the ’80s, several states authorized local jurisdictions to use ballot measures to raise revenues for transportation purposes. The pace accelerated during the ’90s as 21 states either adopted new laws authorizing local option transportation taxes or saw dramatic expansion in their use. The accompanying table based on data assembled by the Surface Transportation Policy Project shows how dramatic the change has been in just a five-year period. While revenue from user fees increased by eighteen percent from 1995 through 1999, and is still the largest source of revenue, the growth rate in local transportation taxes was several times as great during this time period. Although “borrowing” money by issuing bonds grew at the fastest rate, it remains a small proportion of the total and is not really a source of revenue, since money from other sources is always needed to repay the principal and interest. During calendar year 2002, American voters considered 44 separate ballot measures to raise money for transportation. Nine of them were state-wide elections, and only a few involved user fees like fuel taxes. Local sales taxes are by far most common in these measures, but some local governments have enacted vehicle registration fees (arguably a user fee, but more accurately a form of property taxation), taxes on real estate sales, local income or payroll taxes earmarked for transportation, and taxes on new real estate developments.

## Funding Mechanism- State Deficit Spending

#### The 50 united state governments should form constitutional commissions to uniformly amend their respective state constitutions to allow the state to run a limited deficit. The National Governors Association should create a State Reserve Bank system.

#### Allowing the states to deficit spend solves the economy -- allows the states to spend pro-cyclically

Attewell 2009 (Steven Professor at the University of California Santa Barbra, in US Public Policy, MA from UCSB, BA from Columbia University , Dissertation done on Public at Work: Public Employment, the New Deal, and the American Welfare State," Fifty-State Keynesianism - Part Deux, July 31st http://www.economicpopulist.org/content/fifty-state-keynesianism-part-deux AS)

Why is it the case that America's state governments have become so strongly pro-cyclical? The basic reason is that all but one state in the Union (Vermont being the exception) have some form of a balanced budget or debt limitation requirement, which makes it impossible to deficit spend during recessions. Many of these requirements date back over a hundred years, following the Panic of 1837, which caused nine states to default on their "internal improvement" (i.e, transportation infrastructure) related debts in 1842, which prompted a wave of anti-debt measures. The state of New York, for example, adopted a new constitution in 1846, which required a 2/3rds vote for appropriations bills and a 3/5ths vote for any bill that would raise taxes or incur debts. Illinois' 1848 constitution required a 2/3 vote for appropriations, a balanced budget requirement, and a $50,000 cap on state debts. Similar waves of constitutional redrafting tended to follow other major recessions in which states suddenly were unable to finance their debts, such as the Panics of 1857 and 1873 (triggered by the failure of banks that had over-speculated on railroads). The question is why we allow a "hobgoblin of little minds" over a hundred and seventy years old to continue to rule over us? Why, when even a total economics amateur like myself can pick up Keynes and learn about the "paradox of thrift," do we continue to allow the political cliche that "well, families have to balance their budgets, so the government should too" to be the conventional wisdom of the stump speech? (Incidentally, given the fact that most American families are horribly in debt and are relying on their credit cards to make ends meet, this couldn't be less accurate). **A 50-State Solution:** One of the things that's often puzzled me about the progressive movement is our lack of willingness to use the initiative process to our advantage in both achieving policy ends and mobilizing the electorate - consider the way in which the Republican Party used anti-gay marriage propositions in 2002 and 2004 to gin up their right-wing base, change the political debate from economic issues to their wedge issues, and attack the civil rights and civil liberties of queer Americans. In 2006, we saw a little bit of this strategy on the progressive side, using minimum wage initiatives to increase working class turnout in states like Ohio, but to the best of my knowledge it hasn't become a standard part of the Democratic Party political toolkit. Hence, the first step in establishing "50-state Keynesianism" is to promote, state-by-state an "Anti-Recession Budget Reform Initiative." (if anyone has a better name for it, I'm open to suggestions). This initiative should amend the state constitution's balanced budget requirement to allow the state, when the economy is in recession (i.e, two quarters of negative economic growth) to run a limited deficit (two years maximum) for the purposes of funding counter-cyclical stimulus programs (limited to say, 5-10% of state GDP). We should begin our push in those areas which are deep blue states and which tend to have weaker balanced budget requirements - New England would be a good starting place, especially with Vermont as the lone non-balanced budget state sitting there as a model for how deficit spending won't destroy western civilization. The Rust Belt states that have been especially hit hard, like [Michigan](http://yglesias.thinkprogress.org/archives/2009/07/michigan-dems-hoping-for-a-populist-revival.php) or Ohio, would probably be receptive to a message that it's better to spend money to create jobs than to balance a budget by throwing teachers and other state workers out of their jobs. As usual, the major prizes would be New York and California, given their size and political weight. Second, in order to build state capacity for Keynesian economic policy, we should also push for the creation of State Reserve Banks. Here, I really have to credit [Ellen Brown](http://www.huffingtonpost.com/ellen-brown) over at the Huffington Post for promoting this idea and bringing it to my attention. This amazingly simple yet powerful idea takes its example from, of all places, the state of North Dakota, which has operated the Bank of North Dakota since 1919. It works like this - the state charters a public bank, and instead of placing its reserves, tax revenues, deeds for public lands, and so forth in a variety of state banks (as most states do), it puts all of them in the public bank to act as the bank's capital base. (Note: as long as the bank only circulates U.S dollars, it's perfectly constitutional, avoiding the Article I, Section 10 bar against states issuing coin or bills of credit) The bank then acts like a reserve bank, using the power of "[fractional reserve lending](http://en.wikipedia.org/wiki/Fractional-reserve_banking)" (i.e, that a bank can generate much more money in loans than it keeps in its vaults, thus multiplying many times over its actual reserves, as long as it keeps back a portion to redeem deposits) to generate loans, act as a local "lender of last resort" (thus buttressing the work of the Federal Reserve and FDIC during credit crises), and (this is the key bit) allowing the State to borrow money in order to deficit spend in a recession without relying on the ideologically-biased bond market and the credit agencies who've taken a hammer to state bond ratings while maintaining A ratings for AIG and Lehman Brothers. The State could then use these loans (which would be much cheaper than ordinary bonds, given that its essentially paying interest to itself) to maintain public services and fund public works and other stimulus measures in a recession. Third, as I've [suggested](http://realignmentproject.wordpress.com/2009/07/16/the-front-line-of-defense-unemployment-insurance-reform/%22%20%5Ct%20%22_blank) [before](http://realignmentproject.wordpress.com/2009/06/10/public-employment-a-presentation/), one of the best ways to fight a recession is to create jobs directly. Hence, with all this new fiscal and monetary muscle, we should set up a WPA-like system of State "Job Insurance." While the Federal government is best suited to this task, in that it has superior powers to deficit spend and print money, state governments could run their own permanent job insurance systems, establishing State J.I Funds, contributions from workers and employers, and assistance from the general fund. The idea would be to create short-term jobs (say 6-month duration, with a right to re-apply after a job search at the end of 6 months) at $10 an hour - the number of jobs directed at reducing unemployment by whatever proportion (say, 50% in the example below) needed to keep unemployment at or below a specific level. As the economy turned around, these jobs could be gradually eliminated (at 1/2 the rate of job growth, for example) in order to not damage the recovery as happened when the WPA was suddenly downsized in 1937-8. In return for a monthly contribution, workers would have a right to one of these jobs, as allocated by some fair procedure (order of application,

## ----2NC Deficit Spending

#### Creating a banking system solves all your offense- key to economic stability in deficit spending

Attewell 2009 (Steven Professor at the University of California Santa Barbra, in US Public Policy, MA from UCSB, BA from Columbia University , Dissertation done on Public at Work: Public Employment, the New Deal, and the American Welfare State," Fifty-State Keynesianism - Part 3, Sept 22nd http://realignmentproject.wordpress.com/2009/09/22/50-state-keynesianism-part-3/AS)

To begin with, as mentioned in [part 2](http://realignmentproject.wordpress.com/2009/07/30/50-state-keynesianism-part-2/), the establishment of state reserve banks are a critical structure for developing a stable and counter-cyclical source of financing during recessions, both to fund the consumption function programs , and to provide the capital to keep necessary public investments running in times when the private credit markets have frozen up. However, it is only once “fractional reserve lending is combined with an agile use of the power to tax (as opposed to the 2/3rds rule in California) and a temporary suspension of balanced budget rules that individual states can muster enough financial muscle to be able to run counter-cyclically.

#### And the CP is key to long term state counter cyclical policies- this is essential for economic growth- Plan can’t solve this

Attewell 2009 (Steven Professor at the University of California Santa Barbra, in US Public Policy, MA from UCSB, BA from Columbia University , Dissertation done on Public at Work: Public Employment, the New Deal, and the American Welfare State," Fifty-State Keynesianism - Part 3, Sept 22nd http://realignmentproject.wordpress.com/2009/09/22/50-state-keynesianism-part-3/AS)

The second part of establishing a capacity to do long-term investments is to set up mechanisms for state planning. A State [Full Employment Budget](http://realignmentproject.wordpress.com/2009/08/11/the-apollo-initiative-as-democratic-planning-part-3/), modeled after the process outlined in the [Full Employment Bill of 1945-6](http://realignmentproject.wordpress.com/2009/09/10/job-insurance-part-6-historical-models/), would require governors to send to the state legislature an economic projection of the labor market for that year, estimating the total number of jobs that will be created by private industry, and recommending public programs to create the necessary shortfall. This would create the necessary political infrastructure for doing Keynesian policy on a regular basis, create a framework for infrastructure development and jobs programs, and incidentally is a major policy accomplishment that any progressive governor could accomplish for free. Similarly, establishing the bureaucratic organization necessary for carrying out a [Swedish-style labor market policy](http://realignmentproject.wordpress.com/2009/07/25/industriallabor-market-policy-think-swedish/) is also a way to develop the institutional mechanisms for doing long-range, counter-cyclical investment projects.

#### Only the CP solves- amendment means states can deficit spend, solves state economies and removes procyclical policies.

Riedl 2009 (Brian M, Senior Policy Analyst and Grover Hermann Fellow in Federal Budgetary Affairs, Thomas A. Roe Institute for Economic Policy Studies, Herritage Foundation, Stimulus Bill Should Not Bail Out Irresponsible States, Feb 4th http://www.heritage.org/research/economy/wm2266.cfm)

But nobody forced these states to enact balanced budget requirements. And they are free to repeal them anytime they can convince their voters to go along. State balanced budget amendments are supposed to force states to budget responsibly. Bypassing those tough decisions and instead demanding countless federal bailouts--and thus raising federal budget deficits instead--renders state balanced budget amendments meaningless. Moreover, a bailout merely taxes responsible states and younger generations to fund the current spending of reckless states. Furthermore, the inclusion of such a bailout in an economic "stimulus" package makes no sense. State spending does not suddenly become stimulative if it is funded by Washington instead of state governments. Either way, all spending "injected" into the economy must first be taxed or borrowed out of the economy. It is a zero-sum transfer that does not create any new demand, regardless of which level of government is doing the taxing, borrowing, or spending. In this case, the economic positive of states adding $200 billion to the economy will be negated by Washington first having to borrow $200 billion out of the economy.

# Aff

## Links to Politics

#### Turning back control to the states sparks backlash in congress- powerful lobbies support federal control

Utt, 2012, Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation, (February 7, Ronald, Ph D., “Turn Back” Transportation to the States”, <http://www.heritage.org/research/reports/2012/02/turn-back-transportation-to-the-states>) AS

Abstract: Wasteful, inequitable, and bristling with burdensome regulations, the Federal Highway Program is in dire need of reform. Although Members of Congress have attempted to enact changes in the past, the influence of many lobbyists and influential constituencies continues to thwart the process. By maintaining this predictable money morass, Congress and the President are ignoring the needs of the motorists who pay the taxes to fund the program—as well as the needs of an economy that depends on cost-effective mobility. Yet some legislators remain committed to reform and have proposed that Congress “turn back” some or all of the federal highway program to the states, where it once was lodged. Arguing that the program was created to build the interstate highway system—a goal that was met in the early 1980s—turnback advocates believe it is time to declare victory and shift the resources back to the states.

#### Counterplan causes a political uproar- links to politics

Utt 2005 (Ronald, is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. Utt is a veteran of budgetary politics in Washington, having served as director of the housing finance division at the Department of Housing and Urban Development, and senior economist at the Office of Management and Budget, Past director of economic research at the National Association of Real Estate Investment Trusts. Associate chief economist of the U.S. Chamber of Commerce, “Congress Gets Another Chance to Improve America's Transportation: Should It Be Its Last?” March 7th The Heritage Foundation, http://www.heritage.org/research/reports/2005/03/congress-gets-another-chance-to-improve-americas-transportation-should-it-be-its-last AS)

Legislation to turn the federal highway program back to the states was first introduced in Congress in 1997 by Representative John Kasich (R-OH) and Senator Connie Mack (R-FL) during the reauthorization debate that led to the enactment of TEA-21. Senator James Inhofe (R-OK) introduced similar legislation in the 107th Congress, while Representative Jeff Flake (R-AZ) introduced his own version of turnback in the 108th Congress. None of these proposals came close to being enacted, but they all helped to focus the debate on the regional equity issue, which in turn contributed to the inclusion of partial remedies in TEA-21 and in most of the reauthorization proposals now under consideration. As Congress begins the debate on the second attempt in as many years to reauthorize the program, new versions of a turnback plan have been developed separately by Representative Flake and by Representative Scott Garrett (R-NJ) and will be introduced in the House during the debate. However attractive the various turnback plans are to state DOTs that would gain more money and influence, or to the elected officials from donor states that would have equity restored, most see the plan as much too radical for a Congress not known for innovative thought. The biggest obstacle of all, however, is that any turnback plan would deny Congress the opportunity to spend $40 billion on friends and favorites. The second important obstacle is the donee states, which would see this proposal as an end to the regional inequities that have provided them with billions of dollars of unjustified benefits. As a consequence, and short of a revolt by governors threatening secession, it is unlikely that Congress would ever willingly agree to pass legislation that would so diminish their power and influence.

Devolution costs political capital

Lee, 94

**-** professor of economics at the University of Georgia (David, “REVERSE REVENUE SHARING: A RETURN TO FISCAL FEDERALISM,” The Cato Journal, Spring/Summer, http://www.cato.org/pubs/journal/cj14n1-7.html)

The federal government has assumed so many responsibilities for so many diverse problems that it no longer has the ability to do anything well. The real cause of gridlock in Washington is not the system of checks and balances that restrains the activity of government, but the lack of restraint on a federal government that is accomplishing so little because it is attempting so much. This gridlock will not be reduced by one-party rule in the nation's capital. The opposite is more likely the case. Unless the federal government concentrates on the few things that need to be done collectively, and can only be properly done centrally, the gridlock of inefficiency will remain the hallmark of Washington. But any attempt to prune the activities of the federal government will meet head on with another hallmark of the nation's capital, entrenched special interests. Every federal program, no matter how inappropriate its purpose as a federal responsibility or how counter-productive in achieving that purpose, is championed by an organized interest group that benefits not just from the existence of the program but also from having it controlled and financed from Washington. Any attempt to eliminate a federal program, or shift responsibility for it to the state or local level, is sure to be frustrated by intense special-interest opposition. Overcoming special-interest influence, and reversing the proliferation of federal activities supported by that influence, though difficult, is not impossible. But it will take fundamental reform of the political environment that has provided such a fertile habitat for organized interest groups. You don't overcome the alligators by fighting them one at a time; you do so by draining the swamp. And the reform necessary to drain the political swamp and rein in the power of the organized interest groups involves restoring true fiscal federalism, a restoration that can only be achieved by a dramatic decentralization in the power to tax.

## Links to Politics- Labor Unions

#### Labor unions would oppose the plan

Utt 2011 (Ronald, is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. Utt is a veteran of budgetary politics in Washington, having served as director of the housing finance division at the Department of Housing and Urban Development, and senior economist at the Office of Management and Budget, Past director of economic research at the National Association of Real Estate Investment Trusts. Associate chief economist of the U.S. Chamber of Commerce, Obama Administration Retreats from Effort to Deter Ohio Turnpike Privatization, Nov. 16th http://www.heritage.org/research/reports/2011/11/obama-administration-retreats-from-effort-to-deter-ohio-turnpike-privatization AS)

Opposing the reform opportunity is resistance from the labor unions that represent turnpike employees. In most cases, these employees—including the unskilled—earn substantially more than state and private workers performing similar duties and worry that these costly disparities may end under new management. According to several reports and analyses,[3] Ohio Turnpike employees are exceptionally well paid in comparison to their state and private-sector counterparts, and several sources report high (but slightly different) levels of compensation. Turnpike toll collectors, for example—who perform a task less challenging than that of a counter clerk in a fast food restaurant—earned “average gross wages” of $53,954 per year in 2010. The Buckeye Institute also reports that turnpike janitors earned $60,042 per year.[4] The Buckeye review included the benefit package (vacation, health care, pension, sick days) received by these workers. Another report found that turnpike employees earn 17 percent more than those at ODOT and that in 2010 toll collectors “on average made about $56,500.”[5] Estimates of total annual compensation provided to the author by the Human Resource Department of the Turnpike Commission indicate levels higher than either of the above estimates when benefits are included. According to the department, the average full-time toll collector earns (counting overtime) $48,008 per annum. The department estimates that the cost of current benefits average about 30 percent of earnings, which means that the total compensation package for toll collectors is approximately $62,400 per year. In sum, and as the Buckeye Institute notes: “In 2009 the average full time Ohio Turnpike Commission employee earned over $58,000 per year, while the average state [government] worker earned $48,000 and the average [Ohio] private sector worker earned $40,000.”[6]

## Perm

#### Perm solves- Federal action key for coordination of nation-wide networks

Glaeser 2012, (Edward Bloomberg View columnist and professor of economics at Harvard, Feb 13 (Web, 2-13-12) http://www.bloomberg.com/news/2012-02-14/spending-won-t-fix-what-ails-u-s-transport-commentary-by-edward-glaeser.html “Spending Won’t Fix What Ails U.S. Infrastructure,” AS)

The federal government does have a role. It should ensure coordination in nationwide networks. It can embrace smart policies, such as the Education Department’s Race to the Top initiative, that provide incentives for innovation and reform, and the president’s budget seems to move in that direction. The government must go beyond just being the big spender cutting checks. Our current approach has produced a highway system in which, as the Office of Management and Budget once noted, “funding is not based on need or performance and has been heavily earmarked.” The House’s new highway bill may be earmark-free, but it does little to tie spending to need or performance.¶

#### Perm solves best—federal involvement is critical to ensure success of the program

Kavinoky 2/16 [Janet Kavinoy, “5 Answered Questions about Federal Transportation”, Free Enterprise, 2/16/12, Executive Director, Transportation & Infrastructure U.S. Chamber of Commerce Vice President, Americans for Transportation Mobility Coalition, Janet F. Kavinoky is a nationally recognized expert in transportation policy, funding, and finance and leads the U.S. Chamber’s efforts related to maintaining, modernizing, and expanding transportation and infrastructure. <http://www.freeenterprise.com/infrastructure/5-answered-questions-about-federal-transportation-infrastructure-investment>, ]

Some members of Congress want to eliminate federal transportation programs altogether and leave the responsibility to states. Is that a good idea? Absolutely not. States need a strong federal partner to ensure that interstate commerce, international trade policies, interstate passenger travel, emergency preparedness, national defense, and global competitiveness are adequately supported by the nation’s infrastructure. Without federal support for an interconnected transportation system, several large, less-populated rural states would be unable to afford the costs of sustaining their roads and bridges. Many of our nation’s conservative visionaries, including Alexander Hamilton, Thomas Jefferson, Abraham Lincoln, Dwight Eisenhower, and Ronald Reagan, understood the proper role of the federal government in meeting these needs, as Pete Ruane, president of the American Road and Transportation Builders Association, notes in today’s Washington Times. Even today, some of the most vocal opponents of federal spending recognize the importance of transportation investment. Rep. Paul Ryan points out in A Roadmap for America’s Future that transportation is a core government responsibility: “Governments must provide for a limited set of public goods: they must build roads and other infrastructure, foster the protection of property rights, and maintain internal and external security… this ‘core’ government spending tends to foster economic growth.” If we accept that the federal government must play a role in transportation, aren’t existing revenues sufficient? Without new revenue, the federal programs will need to be cut by over a third. What would be the economic impact if the federal programs were cut back? The federal government is responsible for about 45% of all investments in highways and public transportation around the country, and this funding directly supports hundreds of thousands of jobs. It’s not even an option at this point in time. In the past five years, not one, but two Congressionally-mandated blue ribbon commissions have come to the same conclusion regarding federal highway and public transportation investment: it needs to be growing. We have to adopt policies, including an increase in users fees, to bolster revenues. President Reagan himself recognized the economic importance of the federal programs and approved an increase in the gas tax to support them. What about claims that there’s lots of waste in the federal transportation program? We agree that Congress needs to cut waste, and both the Senate and House bills address the issue. The Senate bill would eliminate or consolidate programs that are duplicative or not in the national interest, slicing the number of highway programs by two-thirds – from nearly 90 to less than 30. It would also establishes performance measures and targets to help focus transportation investments on outcomes. For its part, the House bill would consolidate or eliminates nearly 70 duplicative programs, streamline the cumbersome environmental review process, and allow states to fund their most critical infrastructure needs.

## States Fail- Fragmentation

#### States fail- even uniformity doesn’t solve for fragmentation

Miller 2009 (John, Virginia Transportation Research Council Office of Intermodal Planning and Investment, Virginia’s Long-Range Multimodal Transportation Plan 2007-2035 INSTITUTIONAL CHANGES IN TRANSPORTATION DECISION MAKING, http://www.virginiadot.org/projects/vtransNew/resources/VTrans2035\_Decisionmaking\_FINAL.pdf AS)

The literature highlights two strengths of MPOs. One is that the MPO brings diverse local interests together: Mason (2008) notes that “as local jurisdictions become major revenue sources, the potential for fragmentation or balkanization of state and regional transportation systems increases.” Pedersen and Morris (2007) argue that technical expertise will define the power of future MPOs, noting that “the most successful MPOs of 2020 will be those deriving their authority and relevance by adding value to the most important issues of the day, rather than relying primarily on federal regulations for their authority.” The fact that authority can be derived from technical expertise is not new: Hazard (1988) argued that such expertise was one of six critical ways that federal agencies accrue power (the other methods relating to federal mandates, resources, organizational efficiency, access to decision makers, and ability to work with advocacy groups or stakeholders.) Yet with the exception Portland (Oregon) where the region has constitutional authority equivalent to a city or county (McKenzie, 2007), MPOs’ authority is limited to what can be achieved through consensus with localities and states. Ross et al. (2008) state that “A wellmanaged, well funded, and well-regarded MPO can incorporate regional needs into local transportation planning. Yet most MPOs must still answer to local political forces which may not be willing or able to advocate regional policies.” This limitation of MPOs to act regionally had also been noted prior to the passage of ISTEA, when Menchik (1987) explained that while “MPOs can serve as a valuable forum for state-local, local-local, and intrastate communication and plan making, they generally cannot by themselves ‘reconcile’ diverse interlocal goals and priorities.”

#### Devolution removes any incentive to maintain underserved areas- only the federal government creates a comprehensive system

Miller 2009 (John, Virginia Transportation Research Council Office of Intermodal Planning and Investment, Virginia’s Long-Range Multimodal Transportation Plan 2007-2035 INSTITUTIONAL CHANGES IN TRANSPORTATION DECISION MAKING, http://www.virginiadot.org/projects/vtransNew/resources/VTrans2035\_Decisionmaking\_FINAL.pdf AS)

A transportation network reflects economies of scale that accrue from a series of interdependent connections. Similarly, if a needed improvement at location x is not implemented, such as a signal retiming, a shortened transfer between two modes of travel, or a roadway improvement bypassing a congested area, then the foregone performance improvement is felt throughout the entire transportation system—not just by those travelers who live or work near location x. Giuliano (2007) writes that “if all responsibility for the Interstate system were devolved to the states, individual states would have little incentive to maintain” underused segments such that the interstate system would not likely survive in its present form. In fact, Giuliano (2007) notes that the most recent reauthorization (SAFETEA-LU) “is a much weakened structure for stewardship of the National Highway System” citing as evidence the prevalence of earmarks and minimum percentages to states of donated highway funds, known as guarantees. Yusuf et. al. (2008) suggest that objective indicators of need (e.g., volumes, road conditions, future growth, or economic development impacts) are often “ambiguous or conflicting,” which contributes to a situation where issues of local concern may be weighted more heavily than the “general interest.”

#### Devolution creates a fragmented system which increases costs over the long run

Miller 2009 (John, Virginia Transportation Research Council Office of Intermodal Planning and Investment, Virginia’s Long-Range Multimodal Transportation Plan 2007-2035 INSTITUTIONAL CHANGES IN TRANSPORTATION DECISION MAKING, http://www.virginiadot.org/projects/vtransNew/resources/VTrans2035\_Decisionmaking\_FINAL.pdf AS)

Broad social benefits are evident for a variety of local projects: adding a new freeway interchange yields regional economic development and investments in a rail system reduces freight transport costs. Whereas a single entity can presumably make a tradeoff between regional benefits and local disbenefits, the distribution of authority to a variety of smaller units means increases the number of adverse impacts that must be addressed. Giuliano (2007) cites as evidence Los Angeles’ rail transit program, noting that although only a few corridors could support rail transit, the decentralized structure of multiple jurisdictions and no strong regional authority meant that all jurisdictions needed some component of rail transit in order for a rail plan to move forward. Accordingly, Los Angles emerged with an overly ambitious plan that resulted in several lines with insufficient demand, and, when such lines are built, a larger subsidy than anticipated will be required. As another example, a local community may not have an incentive to invest in port improvements (U.S. Department of Transportation, Maritime Administration, 2005), even though such investments in capacity may reap national benefits. Consequently the “last mile” (e.g., the connection between the national highway system and the port) is particularly problematic and in some cases has taken over a decade to improve (U.S. Department of Transportation, Maritime Administration, 2005).

#### Fragmentation increases delays

Miller 2009 (John, Virginia Transportation Research Council Office of Intermodal Planning and Investment, Virginia’s Long-Range Multimodal Transportation Plan 2007-2035 INSTITUTIONAL CHANGES IN TRANSPORTATION DECISION MAKING, http://www.virginiadot.org/projects/vtransNew/resources/VTrans2035\_Decisionmaking\_FINAL.pdf AS)

A third concern of devolution is that when the various components of a transportation system are managed by different decision making entities, travelers may perceive variation in the how the facility is operated. While these different decision making entities may be local jurisdictions, they may also be different functional units within the same organization. Bonneson et. al. (2009), for example, note that the delegation of traffic signal maintenance and operations procedures to individual DOT districts may lead to “operational inconsistencies and sub-optimal performance” which in turn could increase delays. The devolution in this case is within the state Department of Transportation, which suggests that devolution can occur without changing the structure of an organization but rather through altering the autonomy of units within that organization. O’Connell et. al. (2005) note that more consistent standards may be used to make capital investment decisions when a centralized state commission oversees project selection (where the commission is not comprised of elected officials). In terms of regional operation, High Occupancy Toll (HOT) lanes are an instance where a “centralized” rather than a “decentralized” governance structure is recommended in order to achieve greater consistency of design standards and operation (PB and ECONorthwest, 2007).

## States Fail- Economy

#### State spending has no or a negative effect on the econ- prefer federal spending

Shatz et al. 11 – Ph. D in public policy from Harvard University (Howard J., “Highway Infrastructure and the Economy”, RAND Corporation, 2011, <http://www.rand.org/pubs/monographs/2011/RAND_MG1049.pdf>,) AS

We separately reviewed papers that studied highway infrastructure at the national level, the state level, and the substate level and in other countries. Studies of highway infrastructure at the national level tended to find high rates of return and strong productivity effects, at least in the initial building phase of the national highway system. One way this was manifested was through lower costs to industries, especially those that most heavily used the highway network. Likewise, some of the research at the state level found positive effects of highways, or broader measures of public capital, on a variety of economic outcomes. However, these effects tended to be lower than those of private capital investment when the two were compared. In addition, some papers found no effect. Although some research identified positive effects of infrastructure in one state on the economy of neighboring states, more identified zero or even negative effects. Taken together, this evidence is consistent with the idea that some highway infrastructure investment can lead to positive productivity or output outcomes. However, there is a possibility that such investment can have negative effects on neighboring states.

## States Fail- Uniformity

#### No coordination amongst the states- means no CP uniformity

EPIC 2012 –(Energy Policy Information Center, “You say you want a devolution; transportation policy and energy security,” March 8th http://energypolicyinfo.com/2012/03/you-say-you-want-a-devolution-transportation-policy-and-energy-security/)AS

That’s an interesting idea, but misguided. States do determine their own transportation priorities today, except when Congress earmarks — DeMint and others are right in their opposition to that practice. But in general, construction priorities aren’t dictated to the states — but national needs and priorities are given additional national funding that the states then spend in accordance with those needs. And while Senator DeMint is correct when he says that the system “is plagued by thousands of wasteful earmarks, bureaucratic red tape, and outdated funding formulas that pick winners and losers,” that’s a good reason to reform the system, not throw up our hands and just let individual states decide our national transportation policy through 50+ disparate and uncoordinated efforts. This is especially the case given the huge macro and microeconomic toll inflicted by our transportation-driven dependence on petroleum. While there are others, that’s reason enough for a national transportation policy and reason enough to be wary of seductive calls for devolution.

#### Too uncoordinated to solve

Maki 2012 –(Wilbur R. professor at the University of Minnesota, Department of Agricultural and Applied Economics “Infrastructure: Rural America,” March 7th http://american-business.org/3423-infrastructure-rural-america.html) AS

State and local infrastructure planning efforts remain piecemeal and uncoordinated. There still is no clear consensus about the implications of these changes on the varying local demands for the many different kinds of infrastructure investments that most clearly affect the well-being of rural residents and their local economic base. Spending for broadband and related capital facilities are still being excluded from current infrastructure development initiatives.

## Spending DA- Education

#### State economies growing- budgets are tenuous

Hayes 7-13 (Melissa, who has worked at The Record since 2010, covers Gov. Chris Christie and politics for the State House Bureau, Governors to tackle economic development, federal healthcare law at annual meeting, http://blog.northjersey.com/thepoliticalstate/3867/governors-to-tackle-economic-development-federal-healthcare-law-at-annual-meeting/ AS)

Governors said they plan to put aside partisan politics to work together over the next few days to deal with issues like the implementation of federal health care reforms and the need to create more jobs in states across the country. Three governors held a news conference this morning to kick off the National Governors Association meeting in Colonial Williamsburg. Host Gov. Bob McDonnell, R-Virginia, joined NGA Chairman Gov. Dave Heineman, R-Nebraska, and NGA Vice Chairman Jack Markell, D-Delaware, at the event in the Old Capitol. In total there are 26 governors participating in the conference, including Governor Christie who will be here tomorrow. This year’s theme is “Growing State Economies,” and Heineman announced he would be giving governors a report, “A Policy Framework,” which highlights six issues and activities state’s can address to improve job creation. Each governor will also receive an individual economic profile of their state, he said. “States continue to face fiscal challenges, which is why I chose ‘Growing State Economies’ as my chair’s initiative,” he said. “Economic growth and job creation is fundamental to our success and our future and it is the most important issue facing governors. We want to help the private sector grow and create new job opportunities for our citizens.” Economic development has been a key issue for Christie, who tasked Lt. Gov. Kim Guadagno with focusing on improving the state’s business climate.

#### New State spending trades off with technical K-12 and university education

LEACHMAN ET AL ‘11 – Michael Leachman – Director of State Fiscal Research with the State Fiscal Policy division of the Center; holds a Ph.D. in sociology from Loyola University Chicago; policy analyst for nine years at the Oregon Center for Public Policy; AND\*\*\* Nicholas Johnson- graduate degree from Duke University's Terry Sanford Institute of Public Policy, Director of the State Fiscal Project, which works to develop strategies for long-term structural reform of state budget and tax systems, encourage low-income tax relief, and improve the way states prioritize funding, received the Ian Axford Fellowship in Public Policy, a program financed by the New Zealand government and administered by Fulbright New Zealand. Through this fellowship, he spent six months as an advisor to the New Zealand Treasury and the New Zealand Ministry of Social Development; AND\*\*\* Erica Williams - M.A. in International Policy the Monterey Institute of International Studies; Policy Analyst with the State Fiscal Project; (Michael, Nicholas Johnson, Erica Williams, “State Budget Cuts in the New Fiscal Year Are Unnecessarily Harmful”, July 28, http://www.cbpp.org/cms/index.cfm?fa=view&id=3550)RSM

Since states spend more of their budgets on education and health care than anything else, lawmakers imposing large spending cuts are hard-pressed to avoid cutting back on these essential public services. Many states also will lay off state employees or cut their pay and benefits. These actions, coming on top of deep cuts that states have already made over the last three years, place a drag on the nation’s economic recovery. Elementary and Secondary Education At least 23 states have made identifiable cuts in support for public schools. In many cases, these cuts undermine school finance systems that are intended to reduce disparities between high-wealth and low-wealth school districts, so the largest impacts may be felt in communities that are least able to compensate for the loss of funds from their own resources. Arizona is cutting $183 million from K-12 education spending in the coming year and continues another $377 million in cuts that were implemented over the previous three years, bringing the total cut relative to pre-recession levels to $560 million, or $530 per pupil. Colorado is cutting state spending on K-12 education by $347 per pupil compared to last school year. Florida is cutting spending on K-12 education by $542 per pupil compared with last year. The state also has cut $13 million from the state’s school readiness program that gives low-income families access to high quality early care for their children. The cut means over 15,000 children currently participating in the program will no longer be served. Florida also reduced by 7 percent the per-student allocation to providers participating in the state’s universal prekindergarten program for 4-year-olds, which will mean that classrooms have more children per teacher. Georgia cut state and lottery funds for pre-kindergarten by 15 percent, which will mean shortening the pre-K school year from 180 to 160 days for 86,000 four-year-olds, increasing class sizes from 20 to 22 students per teacher, and reducing teacher salaries by 10 percent. Iowa reduced state funding for its statewide pre-kindergarten program for four-year-olds by 9 percent from last year. Schools serving these children will now receive fewer dollars per child and may have to make up for lost funds with reduced enrollment or higher property taxes. The state is also cutting back support for a community-based early childhood program that provides resources to parents with children from birth to age 5, including a cut of nearly 30 percent to preschool tuition assistance. Illinois is cutting general state aid for public schools by $152 million, on top of a loss of $415 million in expired federal recovery dollars — a total decrease of 11 percent. The budget takes $17 million from the state fund that supports early childhood education efforts, which may result in an estimated 4,000 fewer children receiving preschool services and 1,000 fewer at-risk infants and toddlers receiving developmental services. The budget also eliminates state funding for advanced placement courses in school districts with large concentrations of low-income students, mentoring programs for teachers and principals, and an initiative providing targeted, research-based instruction to students with learning difficulties. Kansas cut the basic funding formula for K-12 schools by $232 per-pupil, bringing this funding nearly 6 percent below fiscal year 2011 budgeted levels. For the third year in a row, Louisiana will fail to fund K-12 education at the minimum amount required to ensure adequate funding for at-risk and special needs students, as determined by the state’s education finance formula. Per student spending will be $215 below the level set out by the finance formula for FY12. Michigan is cutting K-12 education spending by $470 per student. Mississippi, for the fourth year in a row, will fail to meet the state’s statutory obligation to support K-12 schools, underfunding school districts by 10.5 percent or $236 million. The statutory school funding formula is designed to ensure adequate funding for lower-income and underperforming schools. According to the Mississippi Department of Education, the state’s failure to meet that requirement over the past three years has resulted in 2,060 school employee layoffs (704 teachers, 792 teacher assistants, 163 administrators, counselors, and librarians, and 401 bus drivers, custodians, and clerical personnel).[11] Missouri is freezing funding for K-12 education at last year’s levels. This means that for the second year in a row, the state has failed to meet the statutory funding formula established to ensure equitable distribution of state dollars to school districts. Nebraska altered its K-12 school aid funding formula to freeze state aid to schools in the coming year and allow very small increases thereafter, resulting in a cut of $410 million over two years. New Mexico cut K-12 spending by $42 million (1.7 percent). The governor is requiring school districts to spare “classroom spending” from the cuts, which means greater proportional cuts to other areas of K-12 education like school libraries and guidance counseling. The operating budget of the state education department is being cut by more than 25 percent. New York cut education aid by $1.3 billion, or 6.1 percent. This cut will delay implementation of a court order to provide additional education funding to under-resourced school districts for the third year in a row. Beyond cutting the level of education aid in FY12, the budget limits the rate at which education spending can grow in future years to the rate of growth in state personal income. North Carolina cut nearly half of a billion dollars from K-12 education in each year of the biennium compared to the amount necessary to provide the same level of K-12 education services in 2012 as in 2011. Both the state-funded prekindergarten program for at risk 4-year-olds and the state’s early childhood development network that works to improve the quality of early learning and child outcomes were cut by 20 percent. The budget also reduces by 80 percent funds for textbooks; reduces by 5 percent funds for support positions, like guidance counselors and social workers; reduces by 15 percent funds for non-instructional staff; and cuts by 16 percent salaries and benefits for superintendents, associate and assistant superintendents, finance officers, athletic trainers, and transportation directors, among others. Ohio is cutting state K-12 education funding 7.5 percent this year, a cut of $400 per student and equivalent to nearly 14,000 teachers’ salaries. Oklahoma is cutting funding for school districts by 4.5 percent, and makes additional cuts to the Department of Education’s budget. The Department of Education has voted to eliminate adult education programs, math labs in middle school, and stipends for certified teachers, among other things. Pennsylvania cut K-12 education aid by $422 million, or 7.3 percent, bringing funding down nearly to FY2009 levels. The budget also cuts $429 million dollars in additional funding that the state provides to school districts to implement effective educational practices (such as high quality pre-kindergarten programs) and maintain tutoring programs, among other purposes. Overall state funding for school districts was cut by $851 million or 13.5 percent, a cut of $485 per student. South Dakota cut K-12 education by 6.4 percent, next year, an amount equal to $416 per student, and 8.8 percent in 2013. Texas eliminated state funding for pre-K programs that serve around 100,000 mostly at-risk children, or more than 40 percent of the state’s pre-kindergarten students. The budget also reduces state K-12 funding to 9.4 percent below the minimum amount required by the state law. Texas already has below-average K-12 education funding compared to other states, and this cut would depress that low level even further at a time when the state’s school enrollment is growing. This would likely force school districts to lay off large numbers of teachers, increase class sizes, eliminate sports programs and other extracurricular activities, and take other measures that undermine the quality of education. Utah cut K-12 education by 5 percent, or $303, per pupil from the prior year’s levels. Washington is taking over $1 billion from state K-12 education funds designed to reduce class size, extend learning time, and provide professional development for teachers — a cut equal to $1,100 per student. Wisconsin reduced state aid designed to equalize funding across school districts by $740 million over the coming two-year budget cycle, a cut of 8 percent. The budget also reduces K-12 funds for services for at-risk children, school nursing, and alternative education. Higher Education At least 25 states have made large, identifiable cuts in funding for state colleges and universities, with direct impacts on students. Arizona cut funding for public universities by nearly one-quarter, or $200 million. This would add to deep previous cuts: from 2008 through 2011, state support for universities fell by $230 million, resulting in the elimination of more than 2,100 positions (an 11 percent reduction in the workforce). Universities have raised tuition significantly, closed eight extended campuses, and merged, consolidated, or disestablished 182 colleges, schools, programs, and departments. Combined with those previous cuts, the FY12 reduction brings per-student state funding down to 50 percent below pre-recession levels.[12] Arizona also cut community college funding for operating expenses by about $73 million. The cut amounts to 6.2 percent of total community college operating revenues and half of all state support for community colleges. California is increasing fees at community colleges starting this fall by 38 percent; for the average student, this means an annual fee increase of $300. The state also is reducing funding for the University of California (UC) and the California State University (CSU) systems by $1.3 billion ($650 million each). Since FY2008 California has cut funding for the UC system by 27 percent and has cut funding for the CSU system by almost 28 percent. In response to cuts in funding, the CSU will increase annual tuition by 29 percent, or $1,242 for full time undergraduate students (relative to the tuition rate that was in place at the beginning of last school year). UC will increase annual tuition by 18 percent, or over $1,800 for resident undergraduate students. UC tuition has grown by more than 80 percent since the 2007-08 academic year. Colorado cut state university spending by 11.5 percent over the prior year, which is expected to be offset with tuition increases of 9 percent, on average. The budget also cuts a means-tested stipend program for undergraduate students by 21 percent from what was budgeted for the current year. Florida cut state higher education spending and raised state university tuition for undergraduates by 8 percent. State universities are increasing tuition by another 7 percent to offset cuts in funding. This comes on the heels of tuition hikes equaling over 30 percent since the 2009-10 school year. The state has also cut a university merit-based scholarship program by 20 percent. Georgia cut funding for a popular merit-based college scholarship program serving hundreds of thousands of students by about one-fifth, university funding by 10 percent, and funding for technical colleges by 4 percent. Iowa is cutting state funding for public universities by $20 million, or around 4 percent. This brings state support below fiscal year 2007 levels. Louisiana enacted a 10 percent tuition increase for the state university system, or an average increase of around $600 more per year per student, in order to make up for the loss of federal and state dollars. Technical colleges will raise tuition by an average of $700 for full-time students. Massachusetts cut funding for higher education by $64 million, or 6.3 percent. Since FY2009, after adjusting for inflation, the state has cut funding by $185 million, or 16.3 percent. Michigan cut by 15 percent state support for public universities, and will increase the cut to about 20 percent for universities that raise tuition by more than 7 percent. Universities are already announcing tuition increases just under that limit, amounting to $600 - $900 tuition increases for in-state undergraduate students. The state also cut funding for community colleges by 4 percent. Minnesota is cutting state funding for higher education 12 percent below 2011 levels. This includes a $194 million cut to the University of Minnesota system and a $170 million cut to the Minnesota State Colleges and Universities system. Missouri cut state support for higher education by 7 percent. The cuts continue a trend of declining state support for Missouri’s universities and community colleges; over the last decade, state support for universities has fallen by 28 percent per student and support for community colleges has fallen by 12 percent. Nevada reduced state funding for the higher education system by 15 percent, which will result in an increase in undergraduate tuition of 13 percent in FY12 and an increase in graduate school tuition of 5 percent in FY12 and again in FY13. New Hampshire cut support for the university system almost in half in a single year, from $100 million to $52 million. University officials have announced that they will raise tuition 8.7 - 9.7 percent, eliminate around 200 positions, reduce employee benefits, dip into reserves, and take other measures as a result. Community colleges also face a 37 percent cut and will raise tuition 6.5 percent for the coming year, which will cost full time students up to $360 per year. New Mexico reduced by 8 percent state funding for public universities, which will result in a 5.5 percent tuition increase ($304 per student). New York cut state funding for the State University of New York (SUNY) by 7.6 percent, and reduces state funding for the City University of New York (CUNY) by 4.4 percent. To help them absorb the funding cuts, the legislature passed a bill that allows SUNY and CUNY to raise tuition by about 30 percent over the next five years. These tuition increases would affect 220,000 students in the SUNY system and 137,000 in the CUNY system and come on top of increases already imposed since the recession began. At SUNY, for example, substantial reductions in state support resulted in a 14 percent tuition increase in 2009. North Carolina cut nearly half of a billion dollars from higher education in each year of the biennium compared to the amount necessary to provide the same level of higher education services in 2012 as in 2011. The cuts mean that full-time resident community college students could see their tuition increase to $2,128 in FY12 and $2,208 in FY13 from the current $1,808 per year. Funds for community college basic education courses were cut by 12 percent. North Carolina is also forcing the university system to find more than $330 million in savings in each year of the biennium. The state also is reducing by 59 percent (or $26 million each year) the state subsidy to university hospitals to offset the costs of uncompensated care, which the hospital system estimates at $300 million this year. Oklahoma is cutting state funding for higher education by nearly 6.7 percent. Partially as a result, tuition and fees were increased by an average of 5.9 percent, or about $225 per student. The budget also cuts a career and technical education training program by about 6.5 percent. Ohio cut higher education funding 10 percent for FY12, amounting to $590 per student. Students at public universities face a 7 percent tuition increase as well as an undetermined (and uncapped) amount of fee increases. Pennsylvania cut funding for the state’s system of higher education by $91 million, or 18 percent. The budget also cuts funding for the state’s four “state related” universities (Penn State, the University of Pittsburgh, Temple, and Lincoln University) by roughly 20 percent. As a result, the University of Pittsburgh will increase in-state tuition by 8.5 percent and Temple University will increase in-state tuition by almost ten percent. Other state universities will see tuition increases of 7.5 percent. South Dakota cut higher education (and most other agencies) by 10 percent. The Board of Regents voted to raise tuition by 6.9 percent, or $490 per student, on average. The tuition increase covers only part of the loss of state funding, and each university has to determine how it will make up for the remaining loss of funds. Tennessee cut funds for the University of Tennessee system by 25 percent compared to 2011. Tuition within the system will rise 6 to 10 percent. Texas reduced general revenue spending on higher education by 9 percent over two years. This includes a cut of 5 percent to college and university formula spending, a cut of 10 percent in formula spending for health institutions, such as nursing schools, and a cut of 25 percent to funds for university research centers, graduate programs, and other non-operations spending. Enrollment growth is not funded for any higher education institution. The budget also cuts by 10 percent financial aid awards under the Texas grant program, which combines state and institutional money to cover tuition and fees for public school students with financial need and good academic records. The cut will likely result in smaller awards. Utah is cutting its higher education budget by about 1 percent below last year’s level, bringing the total decline in state spending to 2 percent since 2009. These funding cuts come despite rapidly rising enrollment. For example, enrollment in Utah’s system of higher education in the spring 2011 semester was 4 percent above enrollment the previous year. The failure of state funding to keep up with enrollment growth will result in an average tuition increase of 7.5 percent. Washington is cutting state funding for colleges and universities by more than $500 million and raising tuition in the upcoming school year by anywhere from 11 percent to 16 percent compared with last year. Wisconsin is cutting $250 million from the state university system, with nearly $100 million of that cut coming from funds for UW-Madison. The budget freezes financial aid at current levels despite expected tuition increases of 5.5 percent system-wide and a recently approved tuition increase of 8.3 percent for UW-Madison, creating an even larger funding gap that students and their families will have to fill. The budget also cuts state support for technical colleges by about $70 million over the biennium, or 25 percent, and places a two-year freeze on local property tax levies that allow communities to raise funds for technical colleges.

#### That destroys American primacy

NAS ‘7 (Committee on Prospering in the Global Economy of the 21st Century: An Agenda for American Science and Technology Committee on Science, Engineering, and Public Policy, “RISING ABOVE THE GATHERING STORM Energizing and Employing America for a Brighter Economic Future”, National Academy of Sciences, National Academy of Engineering, Institute of Medicine, July, http://www.nap.edu/catalog/11463.html)

China and India indeed have low wage structures, but the United States has many other advantages. These include a better science and technology infrastructure, stronger venture-capital markets, an ability to attract talent from around the world, and a culture of inventiveness. Comparative advantage shifts from place to place over time and always has; the earth cannot really be flattened. The US response to competition must include proper retraining of those who are disadvantaged and adaptive institutional and policy responses that make the best use of opportunities that arise. India and China will become consumers of those countries’ products as well as ours. That same rising middle class will have a stake in the “frictionless” flow of international commerce—and hence in stability, peace, and the rule of law. Such a desirable state, writes Friedman, will not be achieved without problems, and whether global flatness is good for a particular country depends on whether that country is prepared to compete on the global playing field, which is as rough and tumble as it is level. Friedman asks rhetorically whether his own country is proving its readiness by “investing in our future and preparing our children the way we need to for the race ahead.” Friedman’s answer, not surprisingly, is no. This report addresses the possibility that our lack of preparation will reduce the ability of the United States to compete in such a world. Many underlying issues are technical; some are not. Some are “political”—not in the sense of partisan politics, but in the sense of “bringing the rest of the body politic along.” Scientists and engineers often avoid such discussions, but the stakes are too high to keep silent any longer. Friedman’s term quiet crisis, which others have called a “creeping crisis,” is reminiscent of the folk tale about boiling a frog. If a frog is dropped into boiling water, it will immediately jump out and survive. But a frog placed in cool water that is heated slowly until it boils won’t respond until it is too late.Our crisis is not the result of a one-dimensional change; it is more than a simple increase in water temperature. And we have no single awakening event, such as Sputnik. The United States is instead facing problems that are developing slowly but surely, each like a tile in a mosaic. None by itself seems sufficient to provoke action. But the collection of problems reveals a disturbing picture—a recurring pattern of abundant short-term thinking and insufficient long-term investment. Our collective reaction thus far seems to presuppose that the citizens of the United States and their children are entitled to a better quality of life than others, and that all Americans need do is circle the wagons to defend that entitlement. Such a presupposition does not reflect reality and neither recognizes the dangers nor seizes the opportunities of current circumstances. Furthermore, it won’t work. In 2001, the Hart–Rudman Commission on national security, which foresaw large-scale terrorism in America and proposed the establishment of a cabinet-level Homeland Security organization before the terrorist attacks of 9/11, put the matter this way:4 The inadequacies of our system of research **and education pose a** greater threat **to U.S. national security over the next quarter century than any potential** conventional **war that we might imagine**. President George W. Bush has said “Science and technology have never been more essential to the defense of the nation and the health of our economy.”5 US Commission on National Security. Road Map for National Security: Imperative for Change. Washington, DC: US Commission on National Security, 2001. A letter from the leadership of the National Science Foundation to the President’s Council of Advisors on Science and Technology put the case even more bluntly:6 Civilization is on the brink of a new industrial order. The big winners in the increasingly fierce global scramble for supremacy will not be those who simply make commodities faster and cheaper than the competition. They will be those who develop talent, techniques and tools so advanced that there is no competition.

#### Great power wars

ZHANG AND SHI 11 - \*Yuhan, a researcher at the Carnegie Endowment for International Peace, Washington, D.C. \*\*\* AND\*\*\* Lin, Columbia University. She also serves as an independent consultant for the Eurasia Group and a consultant for the World Bank in Washington, D.C. “America’s decline: A harbinger of conflict and rivalry” <http://www.eastasiaforum.org/2011/01/22/americas-decline-a-harbinger-of-conflict-and-rivalry/>)

Over the past two decades, no other state has had the ability to seriously challenge the US military. Under these circumstances, motivated by both opportunity and fear, many actors have bandwagoned with US hegemony and accepted a subordinate role. Canada, most of Western Europe, India, Japan, South Korea, Australia, Singapore and the Philippines have all joined the US, creating a status quo that has tended to mute great power conflicts. However, as the hegemony that drew these powers together withers, so will the pulling power behind the US alliance. The result will be an international order where power is more diffuse, American interests and influence can be more readily challenged, and conflicts or wars may be harder to avoid. As history attests, power decline and redistribution result in military confrontation. For example, in the late 19th century America’s emergence as a regional power saw it launch its first overseas war of conquest towards Spain. By the turn of the 20th century, accompanying the increase in US power and waning of British power, the American Navy had begun to challenge the notion that Britain ‘rules the waves.’ Such a notion would eventually see the US attain the status of sole guardians of the Western Hemisphere’s security to become the order-creating Leviathan shaping the international system with democracy and rule of law. Defining this US-centred system are three key characteristics: enforcement of property rights, constraints on the actions of powerful individuals and groups and some degree of equal opportunities for broad segments of society. As a result of such political stability, free markets, liberal trade and flexible financial mechanisms have appeared. And, with this, many countries have sought opportunities to enter this system, proliferating stable and cooperative relations. However, what will happen to these advances as America’s influence declines? Given that America’s authority, although sullied at times, has benefited people across much of Latin America, Central and Eastern Europe, the Balkans, as well as parts of Africa and, quite extensively, Asia, the answer to this question could affect global society in a profoundly detrimental way. Public imagination and academia have anticipated that a post-hegemonic world would return to the problems of the 1930s: regional blocs, trade conflicts and strategic rivalry. Furthermore, multilateral institutions such as the IMF, the World Bank or the WTO might give way to regional organisations. For example, Europe and East Asia would each step forward to fill the vacuum left by Washington’s withering leadership to pursue their own visions of regional political and economic orders. Free markets would become more politicised — and, well, less free — and major powers would compete for supremacy. Additionally, such power plays have historically possessed a zero-sum element. In the late 1960s and 1970s, US economic power declined relative to the rise of the Japanese and Western European economies, with the US dollar also becoming less attractive. And, as American power eroded, so did international regimes (such as the Bretton Woods System in 1973). A world without American hegemony is one where great power wars re-emerge, the liberal international system is supplanted by an authoritarian one, and trade protectionism devolves into restrictive, anti-globalisation barriers. This, at least, is one possibility we can forecast in a future that will inevitably be devoid of unrivalled US primacy.

## ----Impact – Bioterror

#### State budget cuts destroys bioterror responsiveness

AHLERS ’11- senior producer, transportation and regulation, for CNN (Mike M., “Bioterror security at risk”, December 20, http://security.blogs.cnn.com/2011/12/20/bioterror-security-at-risk/)

Recent and proposed budget cuts at all levels of government are threatening to reverse the significant post-9/11 improvements in the nation's ability to respond to natural diseases and bioterror attacks, according to a report released Tuesday. "We're seeing a decade's worth of progress eroding in front of our eyes," said Jeff Levi, executive director of the Trust for America's Health, which published the report with the Robert Wood Johnson Foundation. Budget cuts already have forced state and local health departments to cut thousands of health officials, the report says. Cuts are jeopardizing the jobs of federal investigators who help states hunt down diseases, threatening the capabilities at all 10 "Level 1" state labs that conduct tests for nerve agents or chemical agents such as mustard gas, and may hurt the ability of many cities to rapidly distribute vaccines during emergencies, it says. The "upward trajectory" of preparedness, fueled by more than $7 billion in federal grants to cities and states in the past 10 years, is leveling off, and the gains of the last decade are "at risk," the report says. The 2011 report departs slightly in tone from the nine previous reports prepared by the two health advocacy groups. Earlier reports, while focusing on gaps in the nation's preparedness for pandemics and bioterror attacks, showed a "steady progression of improvement," said Levi. "Our concern this year is that because of the economic crisis... we may not be as prepared today as we were a couple of years ago," he said. Once lost, medical capabilities take time and money to rebuild, the report says. "It would be like trying to hire and train firefighters in the middle of a fire," Levi said. "You don't do that for fire protection, and we shouldn't be doing that for public health protection." There are few expressions of assurance or optimism in the 2011 report. The report says: – In the past year, 40 states and the District of Columbia have cut funds to public health. – Since 2008, state health agencies have lost 14,910 people through layoffs or attrition; local health departments have lost 34,400. – Federal PHEP grants - Public Health Emergency Preparedness grants - were cut 27 percent between fiscal 2005 and 2011, when adjusted for inflation. – Some 51 cities are at risk for elimination of Cities Readiness Initiative funds, which support the rapid distribution of vaccinations and medications during emergencies. "Two steps forward, three steps back," said Dr. F. Douglas Scutchfield of the University of Kentucky College of Public Health, in an essay accompanying the study. "As certain as the sun will rise in the east, we will experience another event that will demonstrate our inability to cope, as the resources for public health are scarce, and it will prompt the cycle of build-up, neglect, event, build-up, etc." Federal aid to state and local governments for health preparedness peeked in 2002 at about $1.7 billion, and fell to $1.3 billion in fiscal 2012, Levi said. But the impact of cuts were masked when Congress allocated more than $8 billion in emergency funds to fight the H1N1 flu in 2009, Levi said. "Now that money is gone. And so we're seeing the real impact of these cuts," he said. The TFAH report comes just two months after another report concluded that the United States is largely unprepared for a large-scale bioterror attack or deadly disease outbreak.

#### Minimizing the death toll is crucial – large casualties ensure nuclear retaliation

CONLEY ‘3 (Lt Col Harry W. is chief of the Systems Analysis Branch, Directorate of Requirements, Headquarters Air Combat Command (ACC), Langley AFB, Virginia. Air & Space Power Journal – Spring, http://www.airpower.maxwell.af.mil/airchronicles/apj/apj03/spr03/conley.html)

The number of American casualties suffered due to a WMD attack may well be the most important variable in determining the nature of the US reprisal. A key question here is how many Americans would have to be killed to prompt a massive response by the United States. The bombing of marines in Lebanon, the Oklahoma City bombing, and the downing of Pan Am Flight 103 each resulted in a casualty count of roughly the same magnitude (150–300 deaths). Although these events caused anger and a desire for retaliation among the American public, they prompted no serious call for massive or nuclear retaliation. The body count from a single biological attack could easily be one or two orders of magnitude higher than the casualties caused by these events. Using the rule of proportionality as a guide, one could justifiably debate whether the United States should use massive force in responding to an event that resulted in only a few thousand deaths. However, what if the casualty count was around 300,000? Such an unthinkable result from a single CBW incident is not beyond the realm of possibility: “According to the U.S. Congress Office of Technology Assessment, 100 kg of anthrax spores delivered by an efficient aerosol generator on a large urban target would be between two and six times as lethal as a one megaton thermo-nuclear bomb.”46 Would the deaths of 300,000 Americans be enough to trigger a nuclear response? In this case, proportionality does not rule out the use of nuclear weapons. Besides simply the total number of casualties, the types of casualties- predominantly military versus civilian- will also affect the nature and scope of the US reprisal action. Military combat entails known risks, and the emotions resulting from a significant number of military casualties are not likely to be as forceful as they would be if the attack were against civilians. World War II provides perhaps the best examples for the kind of event or circumstance that would have to take place to trigger a nuclear response. A CBW event that produced a shock and death toll roughly equivalent to those arising from the attack on Pearl Harbor might be sufficient to prompt a nuclear retaliation. President Harry Truman’s decision to drop atomic bombs on Hiroshima and Nagasaki- based upon a calculation that up to one million casualties might be incurred in an invasion of the Japanese homeland47- is an example of the kind of thought process that would have to occur prior to a nuclear response to a CBW event. Victor Utgoff suggests that “if nuclear retaliation is seen at the time to offer the best prospects for suppressing further CB attacks and speeding the defeat of the aggressor, and if the original attacks had caused severe damage that had outraged American or allied publics, nuclear retaliation would be more than just a possibility, whatever promises **had been made.”**48

#### Nuclear war

IRC ‘1 (11-20-1, “How should the U.S. prepare for possible attacks using biological and chemical weapons?” IRC, <http://www.fpif.org/faq/0111bioterror.html>)

Nuclear deterrence is a leading U.S. strategy to counter threats of biological and chemical warfare. The U.S. has adopted a nuclear weapons use doctrine based on the principles of deterrence capacity and the pre-emptive destruction of chemical or biological weapons and facilities of an enemy nation or non-state actor. This policy was most recently updated in Presidential Decision Directive 60 (PDD60), which was signed by President Clinton in late 1997. This document confirmed a policy that was in place as early as 1994. Detailed scenarios for nuclear operations by forces in the European theater (from where, for example, an assault on Libya would be launched) were enshrined in a "Silver Book" in 1994. Planning for this eventuality had begun as early as 1990, when the Pentagon began searching for new missions to justify the retention of nuclear forces following the end of the cold war. The policy now in place allows for nuclear weapons to be used in response to a chemical or biological weapons attack; against facilities for chemical and biological weapons (CBW) production or storage; or against an enemy thought to be preparing a CBW attack. This is part of a policy called counterproliferation, a military response to the spread of weapons of mass destruction (WMD). There is strong pressure from the Department of Energy weapons labs, from some officials in the administration, and a small number of military personnel for the development of new, smaller nuclear weapons that could be used for such counterproliferation missions. If the U.S. suffers a large number of casualties in a biological attack, the probability of nuclear retaliation would be high. If the administration would declare, for example, that the recent anthrax attacks were criminal or terrorist actions and could then trace them back to the bin Laden network, this would permit U.S. forces to attack Afghanistan with nuclear weapons, if a target requiring nuclear weapons to destroy it could be found. The same would be true with Iraq. If the U.S. suffers a large number of casualties in a biological attack, the probability of nuclear retaliation would be high. The problems with this strategy are manifold: First, if the country hosting the WMD terrorists is a non-nuclear weapon state, then the U.S. has promised not to use nuclear weapons against it unless it attacks the U.S. in alliance with a nuclear weapon state. In the case of Africa, South America, and other nuclear weapon free zones (NWFZ), those promises are legally enshrined in protocols to NWFZ treaties--the U.S. action would therefore be illegal. Second, the human and environmental cost of such action across generations would far exceed any damage done to the U.S., and there would be no way to ensure that fallout would be contained within the country attacked. Third, the development of new nuclear weapons would likely require a return to nuclear testing, killing any chance that the Comprehensive Nuclear Test Ban Treaty (CTBT) could come into force, and probably spurring new weapons developments in China, India, and Pakistan. Finally, there is no support for this U.S. policy, even among U.S. allies. NATO has adopted a watered-down version of the U.S. nuclear doctrine, but has been unable to agree on any guidance for military planners to operationalize the policy. Using nuclear weapons would make the U.S. a pariah state.

## ----Ext. State Economies Growing

#### State economies strong- create plans for deficit reduction and economic growth

SCHULTE 7-13 (GRANT, AP, Heineman details state growth plan for governors, July 2012 http://www2.wjtv.com/news/2012/jul/13/heineman-details-state-growth-plan-for-governors-ar-4127864/ AS)

Nebraska Gov. Dave Heineman has produced a blueprint for governors across America to improve their states' economies by encouraging entrepreneurship, cutting regulations and investing in growing industries.

 The result of a year of research and study, Heineman presented his "Growing State Economies" to the annual gathering of the National Governors Association in Williamsburg, Va., on Friday as he prepared to end his one-year term as the group's chairman. "Entrepreneurs and small-business owners are creating all the jobs in America," Heineman said in an interview earlier this week. "If you can figure out what policies allow those companies to go from five employees, to 20, to 50, to a couple hundred, and then a big company that's what we ought to be pursuing." The plan contains a dozen specific actions that states could take to boost business and improve their economies, including creating a competitive tax regulatory environment and building a startup environment and culture. The governor also provided individualized reports for each state to help them play to their economic strengths and minimize their weaknesses. "Some of these (ideas) will work for some states, but not all of them will make sense for every state," Heineman said. "I understand that. Every governor's going to look at this, go back to their economic development directors, and ask what makes sense for New Mexico, or Pennsylvania, or Florida." Heineman said he drew from individual states' successes for inspiration: a commission in New Jersey aimed at eliminating red tape; state-funded research labs in Oregon; the expansion of small businesses in North Carolina and Washington into the international market; tax credits offered by Arizona and Nebraska to investors in new businesses that produce medical devices, renewable energy and other high-tech innovations. The plan cites six states Delaware, Maine, New Jersey, New York, Oregon and Washington that have adopted laws to help the unemployed start new businesses. Wisconsin spent $150,000 to assist startup companies run by military veterans. The plan encourages states to connect public universities with private businesses for technological research. Heineman highlighted Nebraska's focus on international trade and his administration's efforts to meet business leaders in Japan, Thailand, Germany and Cuba. "We all have to recognize, like it or not, that we're not just competing with each other in the Midwest or nationally," Heineman said. "We're competing internationally. We are impacted by the global economy more than ever before."

## ----Ext. Spending Causes Trade off

#### State Spending destroys reserve funds- collapses the economy causes Trade offs

CBPP 2011 – (Center for Budget and Policy Priorities “ Why and How States Should Strengthen Their Rainy Day Funds Recession Highlighted Importance of Funds and Need for Improvements ” February 3http://www.cbpp.org/cms/index.cfm?fa=view&id=3387)

Unrestricted general fund balances and designated rainy day funds serve as a state’s first line of defense against the budget pressures caused by declining revenues and the rising need for public services during a downturn. Figure 1 shows state general fund balances (including rainy day fund balances) at the close of each fiscal year since 2000. These balances have played an important role in helping states cope with the last two recessions, those of 2001 and 2007. Before both recessions, states accumulated reserve funds equal to some 10 percent of state budgets. In the years following the 2001 recession (2001-2004), states faced shortfalls totaling some $240 billion, and they used reserves to close some 10 percent of those shortfalls. If the funds had not been available, states would have had to make even deeper cuts in health care, education, and other important services or raise additional revenues. Having funds available in a reserve — and using those funds when needed during a downturn — reduces the toll that spending cuts or revenue increases can take on a state’s economy in a downturn. Spending cuts are problematic during a downturn because they reduce overall demand, which can make the downturn deeper. When states cut spending, they lay off employees, cancel contracts with vendors, eliminate or lower payments to businesses and nonprofit organizations that provide direct services, and cut benefit payments to individuals. In all of these circumstances, the companies and organizations that would have received government payments have less money to spend on salaries and supplies, and individuals who would have received salaries or benefits have less money for consumption. This directly removes demand from the economy. So do many tax increases. [5]

#### State spending destroys the Economy

CBPP 2011 – (Center for Budget and Policy Priorities “ Why and How States Should Strengthen Their Rainy Day Funds Recession Highlighted Importance of Funds and Need for Improvements ” February 3http://www.cbpp.org/cms/index.cfm?fa=view&id=3387)

The weak economy is generating great fiscal distress among states. Because states cannot run deficits, they must close their shortfalls by cutting spending or raising taxes. That causes two further problems. First, their spending cuts and tax increases take money out of the economy, making the downturn even worse. Second, as states have to cut back, they cannot respond to the rising need for health care and other services that occurs when workers lose jobs or are otherwise hit by the economic downturn. Forty-one states faced or are facing budget shortfalls. Twenty-nine states and Washington, D.C. closed shortfalls of $48 billion in enacting their fiscal 2009 budgets, which began on July 1 in most states. The shortfalls equaled 9 percent of these states’ general fund (operating) budgets. In 31 states and D.C., 2009 budgets have fallen out of balance since their enactment, producing new, mid-year deficits that total more than $24 billion (or 6.6 percent of budgets). Twenty-one states already project shortfalls totaling more than $40 billion for fiscal 2010 (which in most states begins July 1, 2009): Alabama, Arizona, California, Connecticut, Florida, Hawaii, Kansas, Louisiana, Maine, Maryland, Minnesota, Missouri, Nevada, New York, North Carolina, Oregon, Rhode Island, Vermont, Virginia, Washington and Wisconsin. Based on the rate at which states’ revenue bases are deteriorating and the history of prior recessions, the total 2010 state budget gaps will likely be about $100 billion. The state revenue situation is rapidly worsening. To keep pace with the cost of services, state revenues must grow. But overall revenues last year were essentially flat and are weakening dramatically this year. In the most recent quarter, July-September 2008, tax revenues are below last year's levels in most states after adjusting for inflation and are likely to weaken further. The median decline in states that have released data for this quarter is 5 percent after adjusting for inflation. Sales taxes are the hardest hit so far, reflecting a fall in both personal consumption and business purchases. But income taxes and other taxes are also falling. Recent stock market declines and continued job losses will depress revenues further. States face other problems from the weakening economy. Employers are reducing jobs and cutting back on employer-provided health coverage. As a result, more families are turning to programs like Medicaid, which provides health coverage to low- and moderate-income families and is jointly funded by Washington and the states. State spending levels were relatively low even before this crisis. Aggregate state spending fell sharply relative to the economy during the 2001 recession, and it remained below the 2001 level as a share of the economy when states adopted their 2008 budgets. The funding cuts that states will likely make in the coming months will reduce overall spending further below 2001 levels. States have already substantially used budget reserves to address funding gaps, but these reserves are limited. States ended fiscal 2006 and 2007 with $69 billion in reserves each year, equal to about 11 percent of their budgets. Those are the largest reserves states have ever accumulated. But now states have used a significant portion of those reserves, and the remaining amount will not be enough to solve state budget problems. California and Massachusetts officials have expressed concerns about their states’ ability to obtain short-term loans. Such short-term borrowing is a routine part of state fiscal practices, and not an indicator of budget problems. States are simply facing the same problem faced by millions of businesses across the country: tightening credit markets. But in the unlikely event that states cannot obtain needed loans from private lenders or the federal government, their budget problems would worsen significantly.

## AT: Uniformity

#### No Uniformity- Turf Wars prevent coordination

NGA, 2002 (National Governors Association, 12-28-02, “Improving Public Transportation Services through Effective Statewide Coordination”, http://www.nga.org/cms/home/nga-center-for-best-practices/center-publications/page-eet-publications/col2-content/main-content-list/improving-public-transportation.html, JN)

One of the major barriers to coordination among different state agencies is turf. Participants may mistakenly believe that they are being pushed into this effort because another participant wants to assume their responsibilities or dictate program outcomes. It is important for gubernatorial cabinet agency leaders to reinforce the purpose of these efforts—to make everyone’s job easier and to improve the effectiveness of the state’s transportation investments. Administrative barriers may inhibit cooperative arrangements between human services agencies and transportation agencies. Reporting requirements for public transportation providers are far more stringent than those imposed on human services agencies that fund transportation as an ancillary service. Transportation providers allocate costs on a per-trip basis, while human services providers often do not. One of the major benefits of a coordination working group is that bringing a diverse group together gives participants an opportunity to learn how each agency operates and to develop trust so barriers can be removed. Transportation professionals often claim that human services professionals do not understand how to provide transportation services. Human services professionals complain that transportation agencies do not understand their missions. Beyond dissimilar operations and missions, a “language” barrier exists that should not be underestimated. Agencies may not understand each other’s jargon and may misconstrue acronyms used in everyday conversations. Representatives from each agency should take the time to learn the nuances of each other’s operations, frames of reference, and language usage. A vital working relationship that benefits all participants can emerge from this understanding.

## AT: Tax Referendums/Ballot Measures

#### Ballot measures fail- reduce flexibility

Wachs 2003 (Martin, Ph.D. and M.S. in urban and regional planning, Northwestern University; B.S. in civil engineering, City University of New York, Local Option Transportation Taxes: Devolution as Revolution, http://www.uctc.net/access/22/Access%2022%20-%2002%20-%20Local%20Option%20Transportation%20Taxes.pdf AS)

Supporters tout the benefits of enumerating specific projects in the ballot measures. But voters thereby limit the transportation agencies’ flexibility in responding to changes in conditions or needs during the life of the measures. All but five of California’s transportation sales taxes earmark some amount of revenue for specific projects, limiting the power of transportation authorities to reset priorities once the tax has been approved. Even when funds are not earmarked for specific projects, the intended uses of revenue for specified program categories are constrained by ballot measures. Revenue shortfalls, cost escalations, or changing political sentiments about projects may mean that over time agencies will want to deviate from the list of voter-approved projects. Transportation authorities face pressure to expend funds in accordance with the ballot measures and to deliver on the commitments made by local political leaders regardless of changing budgets or shifting political priorities. This pressure can have serious drawbacks. There have proven to be many obstacles to the completion of projects administered by transportation authorities. And the transportation authorities are not required by ballot measures to base their implementation priorities on project cost-effectiveness, nor to spend sales tax revenues on mitigating potentially damaging environmental consequences.

#### Tax referendums fail- limit efficiency and flexibility in determining spending for funds

Wachs 2003 (Martin, Ph.D. and M.S. in urban and regional planning, Northwestern University; B.S. in civil engineering, City University of New York, Local Option Transportation Taxes: Devolution as Revolution, http://www.uctc.net/access/22/Access%2022%20-%2002%20-%20Local%20Option%20Transportation%20Taxes.pdf AS)

Transportation tax referenda around the nation are often assumed to be nothing more than a new and politically expedient way of raising needed revenue; but they are doing much more than that. In addition to raising money, they are gradually but inexorably changing the way we finance transportation systems in four fundamental ways: 1) The growing popularity of sales taxes is shifting the financial base of our transportation system from user fees to general taxes paid by all citizens, regardless of their direct reliance on the transportation system. Economists find that user fees have at least some tendency to induce more efficient use of the transportation system; higher fuel taxes might, for example, encourage motorists to acquire more fuel-efficient vehicles. In contrast, general taxes provide no incentive for greater transportation efficiency of any sort. And, while sales taxes and fuel taxes are both regressive, the effects on the poor of user fees are tempered by the fact that those who pay them always benefit from them, while sales taxes burden non-users as well as users. When fuel taxes were adopted in the ’20s they were considered “second best” solutions; tolls were better but administratively complex. Today, we can lessen the problems associated with toll collection by implementing electronic systems like Fastrak or Easy Pass. Ironically, user fees are declining in favor of general taxes just as technology is making them more feasible. 2) The rising use of county sales taxes and the growing role of metropolitan transportation planning are consistent with a national trend toward devolution, but federal policy and the rise of county tax measures are in fundamental conflict. While Congress and many states are devolving transportation decision making to the regional level by enhancing the powers of metropolitan planning organizations, county sales taxes can undermine the influence and authority of those groups by focusing resources and decision making on counties and other smaller units of government. 3) Gradually, local taxes are increasingly limiting the transportation policymaking authority of elected officials by requiring that transportation funds be spent strictly in accordance with the language of the ballot measures over fairly long periods of time. And project lists are gradually eliminating the flexibility necessary to adapt to changing needs. 4) While transportation planners and engineers often apply analytical procedures like benefit-cost analysis to determine which investments should be selected, ballot measures proposing local transportation taxes substitute election campaigns—sometimes called “beauty contests”—for analysis. Many believe that greater reliance should be placed on analysis of project cost effectiveness, but by listing popular projects in the sales tax measures, we are gradually limiting the relevance of systematic analysis in project selection. While local control and direct democracy are American ideals, it is probably not appropriate for voters to preempt the application of technical expertise in the design and management of transportation systems.