# Surface Transportation Affirmative

This affirmative was begun but not finished. The evidence is a useful starting point for anyone interested in pursuing a surface transportation stimulus affirmative.

# 1AC—Surface Transportation Affirmative

### 1AC—Plan

#### First the plan:

#### The United States federal government should…

#### We’ll clarify.

### 1AC—Stimulus

#### Contention One is Stimulus—

#### Highways collapsing are collapsing now—insufficient funding and structural problems.

Kahn and Levinson '11 Matthew E. is the Professor of Economics, UCLA Institute of the Environment and Sustainability and David M. is the Chair in Transportation at the University of Minnesota (Brookings: The Hamilton Project, "Fix It First, Expand It Second, Reward It Third: A New Strategy for America’s Highways", February 2011, http://www.brookings.edu/~/media/research/files/papers/2011/2/highway%20infrastructure%20kahn%20levinson/02\_highway\_infrastructure\_kahn\_levinson\_brief.pdf)

The Challenge The infrastructure on the U.S. Interstate Highway System is more than forty-five years old (Figure 1). These older highways and bridges were designed with different priorities and technologies than we have today. Although there has been some progress in reducing the number of structurally deficient bridges and in bringing our transportation infrastructure system to modern safety and vehicle-weight standards, there is much to be done. And there is an urgency to this challenge: the problem grows worse and more costly each year as infrastructure continue to age. The age of our infrastructure has important implications for maintenance costs. In Figure 2, Kahn and Levinson show that pavement road deterioration begins slowly and accelerates over time. This graph suggests that significant savings can be achieved by beginning repairs before the pavement deteriorates too much. For every $1 spent on preventive pavement maintenance, between $4 and $10 is saved on rehabilitation .The authors also provide evidence that current system enhancement, such as safety improvements like guardrails, restriping, and rumble strips, can be some of the most cost effective ways to use existing resources. The resources currently allocated in the United States for maintaining and improving existing infrastructure are insufficient. At the same time, existing infrastructure competes with new infrastructure projects for the same pot of funding but without the public relations benefit of a ribbon cutting. As a result, funding to maintain existing infrastructure projects often comes up short—despite strong economic evidence that supports maintenance over expansion. For example, research by John Fernald found that the Interstate Highway System had a significant impact on productivity after it was completed in 1973, but the productivity gains of subsequent expansions have been much smaller. This suggests that maintaining current infrastructure at maximum capacity may have higher returns than expanding capacity To continue to enjoy the level of network performance that Americans often take for granted, maintenance, preservation, and enhancement of this existing system is urgently needed. In addition to the direct impact of disrepair, Kahn and Levinson suggest that users are getting less from our system of infrastructure because of rising congestion. This congestion unnecessarily frustrates travelers, decreases quality of life for commuters, and imposes economic losses on shippers and other businesses that depend on highways.

#### Infrastructure stimulus is key to economic growth—multiple reasons.

New America Foundation 10 — New America Foundation—“a nonprofit, nonpartisan public policy institute that invests in new thinkers and new ideas to address the next generation of challenges facing the United States,” 2010 (“The Case for an Infrastructure-Led Jobs and Growth Strategy,” February 23rd, Available Online at http://www.newamerica.net/publications/policy/the\_case\_for\_an\_infrastructure\_led\_jobs\_and\_growth\_strategy, Accessed 06-09-2012)

As the Senate takes up a greatly scaled down $15 billion jobs bill stripped of all infrastructure spending, the nation should consider the compelling case for public infrastructure investment offered by Governors Arnold Schwarzenegger (R-CA) and Ed Rendell (D-PA). Appearing on ABC’s "This Week" on Sunday, the bipartisan Co-Chairs of Building America's Future explained why rebuilding America’s infrastructure is the key to both job creation in the short and medium term and our prosperity in the longer term.

Rather than go from one negligible jobs bill to the next, the administration and Congress should, as the governors suggest, map out a multi-year plan of infrastructure investment and make it the centerpiece of an ongoing economic recovery program.

Here is why:

With American consumers constrained by high household debt levels and with businesses needing to work off overcapacity in many sectors, we need a new, big source of economic growth that can replace personal consumption as the main driver of private investment and job creation. The most promising new source of growth in the near to medium term is America’s pent-up demand for public infrastructure improvements in everything from roads and bridges to broadband and air traffic control systems to a new energy grid. We need not only to repair large parts of our existing basic infrastructure but also to put in place the 21st-century infrastructure for a more energy-efficient and technologically advanced society. This project, entailing billions of dollars of new government spending over the next five to ten years, would generate comparable levels of private investment and provide millions of new jobs for American workers.

More specifically, public infrastructure investment would have the following favorable benefits for the economy:

Job Creation. Public infrastructure investment would directly create jobs, particularly high-quality jobs, and thus would help counter the 8.4 million jobs lost since the Great Recession began. One study estimates that each billion dollars of spending on infrastructure can generate up to 17,000 jobs directly and up to 23,000 jobs by means of induced indirect investment. If all public infrastructure investment created jobs at this rate, then $300 billion in new infrastructure spending would create more than five million jobs directly and millions more indirectly, helping to return the economy to something approaching full employment.

A Healthy Multiplier Effect. Public infrastructure investment not only creates jobs but generates a healthy multiplier effect throughout the economy by creating demand for materials and services. The U.S. Department of Transportation estimates that, for every $1 billion invested in federal highways, more than $6.2 billion in economic activity is generated. Mark Zandi, chief economist at Moody’s Economy.com, offers a more conservative but still impressive estimate of the multiplier effect of infrastructure spending, calculating that every dollar of increased infrastructure spending would generate a $1.59 increase in GDP. Thus, by Zandi’s conservative estimates, $300 billion in infrastructure spending would raise GDP by nearly $480 billion (close to 4 percent).

A More Productive Economy. Public infrastructure investment would not only help stimulate the economy in the short term but help make it more productive over the long term, allowing us to grow our way out of the increased debt burdens resulting from the bursting of the credit bubble. As numerous studies show, public infrastructure increases productivity growth, makes private investment more efficient and competitive, and lays the foundation for future growth industries. In fact, many of the new growth sectors of the economy in agriculture, energy, and clean technology require major infrastructure improvements or new public infrastructure.

Needed Investments that Will Pay for Themselves. New infrastructure investment can easily be financed at historically low interest rates through a number of mechanisms, including the expansion of Build America Bonds and Recovery Zone bonds (tax-credit bonds that are subsidized by favorable federal tax treatment) and the establishment of a National Infrastructure Bank. Public infrastructure investment will pay for itself over time as a result of increased productivity and stronger economic growth. Several decades of underinvestment in public infrastructure has created a backlog of public infrastructure needs that is undermining our economy’s efficiency and costing us billions in lost income and economic growth. By making these investments now, we would eliminate costly bottlenecks and make the economy more efficient, thereby allowing us to recoup the cost of the investment through stronger growth and higher tax revenues.

#### Infrastructure investment is uniquely effective at stimulating the economy—studies prove.

Boushey 11 — Heather Boushey, Senior Economist at the Center for American Progress, previously held economist positions with the Joint Economic Committee of the U.S. Congress, the Center for Economic and Policy Research, and the Economic Policy Institute, holds a Ph.D. in economics from the New School for Social Research, 2011 (“Now Is the Time to Fix Our Broken Infrastructure,” Center for American Progress, September 22nd, Available Online at http://www.americanprogress.org/issues/2011/09/aja\_infrastructure.html, Accessed 06-09-2012)

The value of infrastructure spending

Analysis of all fiscal stimulus policies shows a higher “multiplier” from infrastructure spending than other kinds of government spending, such as tax cuts, meaning that infrastructure dollars flow through the economy and create more jobs than other kinds of spending. Economist Mark Zandi found, for example, that every dollar of government spending boosts the economy by $1.44, whereas every dollar spent on a refundable lump-sum tax rebate adds $1.22 to the economy.[7]

In a separate study conducted before the Great Recession, economists James Heintz and Robert Pollin of the University of Massachusetts, Amherst, found that infrastructure investment spending in general creates about 18,000 total jobs for every $1 billion in new investment spending. This number include jobs directly created by hiring for the specific project, jobs indirectly created by supplier firms, and jobs induced when workers go out and spend their paychecks and boost their local economy.[8]

#### Infrastructure investment is uniquely effective at stimulating the economy—*highest multiplier effect*.

Han 12 — Xue Han, Luxembourg Garden Visiting Scholar at Global Infrastructure Asset Management, LLC, holds a B.A. in Mathematics and Economics from Beloit College, 2012 (“Why Invest In Infrastructure? Necessities and Benefits of Infrastructure Investments,” Report for Global Infrastructure Asset Management, LLC, February, Available Online at http://www.globalinfrastructurellc.com/pdfs/Why\_Invest\_in\_Infrastructure-Necessities\_and\_Benefits\_of\_Infrastructure\_Investments.pdf, Accessed 06-09-2012, p. 1)

With the economy still in the prolonged slump after the financial crisis in 2008, the stimulating effects of infrastructure investments on economic growth becomes even more important for speeding up the recovery. Infrastructure investments‘ contribution to economic growth come from two aspects: improvement of productivity and relatively larger multiplier effects. Firstly, both fundamental theories and statistical evidences tell us that investments in public infrastructure improve private-sector productivity, leading to a “crowding-in” instead of “crowding-out” of private investments. More specifically, as suggested by Heintz, Pollin and Peltier, a sustained one-percentage point increase in the growth rate of core public economic infrastructure leads to an increase in the growth rate of private sector GDP of 0.6 percentage points. Secondly, due to its relatively larger multiplier effects than that of other types of spending, infrastructure investment still has a strong stimulus on economic growth even without consideration of its productivity improving effects, which serves as the more ultimate reason. Using the reliable estimates on employment generated from a Input-Output model in How infrastructure investment support the U.S. economy (Heintz, Pollin and Peltier, 2009) and a solid assumption on the relationship between GDP increase and employment effects made by Romer and Bernstein, the multiplier effect featured by investment specifically in infrastructure is estimated as 2.8, a lot bigger compared to the general fiscal multiplier of all types of government spending at 1.88, as estimated in my previous research Deficit Reduction and Multiplier Effects.

#### Inflation spurs *growth*—solves risk aversion and stimulates the economy.

Mirhaydari 10 — Anthony Mirhaydari, investment columnist at MSN Money, former senior research analyst at Markman Capital Insight—an investment advisory and money management firm, 2010 (“No Inflation Means No Recovery,” *MSN Money*, September 8th, Available Online at http://articles.moneycentral.msn.com/Investing/Extra/mirhaydari-no-inflation-means-no-recovery.aspx?page=all, Accessed 09-08-2011)

The problem is extreme risk aversion. And it's being enabled by low inflation.

The hordes are hoarding

Instead of using cheap financing to invest and hire workers or even raise dividends or repurchase shares, corporations are hoarding cash. The ratio of liquid assets to total assets has jumped from 2.9% in 1980 to nearly 7%, a level not seen since 1960. As a result, the manufacturing capacity of the country is beginning to rust away as managers forgo even basic maintenance expenditures to stash money in the bank, a subject explored at length in a recent column.

The banks aren't doing much either. Although we've seen some positive signs, with lending standards finally beginning to ease, there are now fewer loans outstanding than there were in September 2008. Instead of extending credit to businesses and consumers, the financial sector is dumping its cash into U.S. Treasurys and parking money in the Federal Reserve's vaults. The latter strategy earns a paltry 0.25%, yet the amount of money sitting idle at the Fed has jumped from just $810 million in the months before the recession to more than $1 trillion now.

These are reservoirs of cash waiting to be tapped.

Similarly, U.S. consumers aren't using cheap credit to buy discounted luxury homes or go on spending sprees. That's despite mortgage rates that have plunged to just 4.3% while home affordability has returned to levels not seen since before the bubble. Credit card debts are being paid down. Indeed, the personal savings rate has jumped from a low of 0.8% in 2005 to 5.9% now.

Obviously, part of the problem is that many consumers, banks and businesses are still paying for past sins. Debts are being repaid and balance sheets rebuilt. And millions of people are still without work.

But the process is nearing its end. Banks are about 85% of the way through recognizing their housing-bubble losses, according to estimates by Credit Suisse and the International Monetary Fund. And Fed data show that household debt-service burdens have improved to levels not seen in 10 years. Overall, the picture is of an economy rebuilding its ability to create and consume credit.

Drunk on deflation

So what's the holdup?

With fear and uncertainly still dominating the popular consciousness, many Americans are more concerned about simply being able to get their money back than with getting higher returns or chasing the hottest investing idea. On the great scale of fear and greed, we're fully tilted toward fear.

And low inflation makes fearful decisions -- like leaving cash at the Fed to earn 0.25% or investing in 10-year Treasurys yielding 2.6% -- palatable.

You can see this in the way bonds and stocks have decoupled from their traditional relationship. Stocks are so undervalued relative to corporate bonds that they're trading at levels seen less than 0.01% of the time. (For the statistics buffs, equity yields are trading 3.36 standard deviations below the mean relative to Baa corporate yields.)

Under more-normal circumstances, inflation would slowly eat away at the returns from these conservative investments. It would force investors, managers and bankers to seek out riskier, higher-yield investments. That would help push cash back off the sidelines and back into the game – resulting in more loans, more investment and higher asset prices. This, in turn, would result in increased spending and hiring, helping propel the economy forward.

So the moral of the story is: We need inflation to help kick the recovery into overdrive. Moreover, inflation is the lesser evil at this point, with moderate inflation being less painful than a Japanese-style deflationary spiral.

#### Other stimulus efforts fail absent the plan—the cost of driving on broken infrastructure offsets the gains

Ensinger '11 Dustin is (Economy is Crisis: America's Economic Report, "Crumbling Infrastructure Could Prove Costly to the Economy", August 1, 2011, http://economyincrisis.org/content/crumbling-infrastructure-could-prove-costly-economy)

There are very few political issues that can produce an agreement from the U.S. Chamber of Commerce, the country’s largest business organization, and the AFL-CIO, the nation’s largest labor union. But a report released this week by the American Society of Civil Engineers did just that. The report found that the U.S. economy could suffer greatly if the federal government does not step up its investment in the nation’s infrastructure in the coming years. America’s failure to properly invest in infrastructure could cost the U.S. $3.1 trillion in gross domestic product growth by 2020. “Today’s report from the American Society of Civil Engineers further reinforces that the U.S. is missing a huge opportunity to ignite economic growth, improve our global competitiveness, and create jobs,” said Tom Donohue, president and CEO of the U.S. Chamber of Commerce. At the current levels of investment, the U.S. could end up losing 877,000 jobs over that same time. Many will think of the catastrophic failures that make the national nightly news, such as the bridge collapse in Minnesota, when they think of the United States’ massive failure to invest in infrastructure. That, however, is simply the most extreme example. The failure to fill potholes on roads and highways could prove to be just as costly. A flat tire caused by a massive pothole could take away purchasing power from families. In fact, the study found that at current funding levels, America’s deteriorating infrastructure will cost the average U.S. family $1,060 a year. Even things as simple as congestion on roadways could have a huge impact on the economy, according to the report. Roadway congestion costs the U.S. $27 billion economically each year. “With a modest increase in investment, we can rebuild a strong economy where business can thrive and workers can afford a place to live, raise a family, take an occasional vacation, pay for their children’s education and have a dignified retirement,” AFL-CIO President Richard Trumka said.

#### Even if their economic theory is true generally, inflation is needed now to secure recovery—no risk of hyperinflation.

Baker 10 — Dean Baker, Co-Director of the Center for Economic and Policy Research, 2010 (“Why printing money makes sense,” *Guardian*, October 12th, Available Online at http://www.guardian.co.uk/commentisfree/cifamerica/2010/oct/11/useconomy-usemployment, Accessed 09-08-2011)

Obviously, we have to teach some elementary economics to the geniuses who design economic policy. The basic problem we face is a lack of demand. Note that this is the exact opposite of the deficit fixation – budget deficits are a problem when we have too much demand.

To better understand this demand problem, suppose that we had a super-effective counterfeiter: someone who could make near perfect copies of $50 or $100 bills. Suppose this person printed up $2tn of counterfeit money and began to spend it on all sorts of items. Our counterfeiter buys up houses and cars. They pay for incredibly lavish parties and trips. They hire all sorts of servants, groundskeepers and investment advisers.

What would be the effect of this counterfeiting scam on the economy?

In the current situation, it would provide an enormous boost to GDP and create millions of jobs. After all, everyone thinks the money is real. It is no different whether the counterfeiter and his underlings spend $2tn of counterfeit money or if firms suddenly start investing their hoards of cash or households begin to spend again as though the housing bubble had never collapsed.

That may sound troubling, but this is because the current economic situation is so extraordinary. In normal times, the economy is, at least partially, supply-constrained. Collectively, we want more goods and services than the economy is capable of producing. If our counterfeiter manufactured his $2tn in normal times, it likely would cause a serious problem of inflation. There would be more demand for cars, houses and other goods than the economy was able to supply. This would push up prices and wages, leading to a cycle of inflation that would persist until policy measures were taken to slow the economy – or the counterfeiter was caught.

In our demand-constrained economy, however, there is no problem of inflation. The economy can produce more of almost anything right now. The reason that we are not doing it is simply the lack of demand.

But the interesting part of the counterfeiter story is that his $2tn of phony money will not create problems even in the long run, assuming that he is eventually shut down. Suppose that the counterfeiter's lavish spending gets the economy back towards full employment around 2012, at which point he gets nailed by the FBI who finally figure out how to recognise the dud notes.

At that point, the $2tn will be grabbed out of circulation and destroyed. Assuming that the economy is strong enough at this point to remain near full employment even as this counterfeit wealth disappears, then there would be no lasting damage from the episode. The fictional wealth had generated demand when the economy needed it, but then was pulled out of circulation at the point when it could have generated inflation and "competed away" goods and services from others.

While it is unlikely we will see a successful counterfeiter on this scale, the government and the Federal Reserve Board can imitate the counterfeiter's actions. This is the story of fiscal stimulus: safe, fun and legal. Instead of putting people to work filling the counterfeiter's frivolous whims, we could have them work to build up the economy and meet important needs. The list of necessary tasks is long and well-known.

#### But, states will slash spending or raise taxes to fund transportation infrastructure—massive budget shortfalls.

Reuters 12 — Reuters, 2012 (“Budget Gaps To Exceed Revenues In Over Half Of U.S. States By July,” Byline Lisa Lambert, January 9th, Available Online at http://www.huffingtonpost.com/2012/01/09/new-us-state-budget-gaps-exceed-revenues-states-july\_n\_1195138.html, Accessed 06-27-2012)

More than half the U.S. states will not have enough revenues to cover spending demands in the fiscal year starting in July, according to a think tank report released on Monday.

Altogether, the budget gaps for 29 states will total $44 billion, the Center on Budget and Policy Priorities found. Among them are California and Texas, the two most populous states in the United States.

"This number is almost certain to grow as governors release new gap projections along with their proposed budgets in the coming months," said the liberal-leaning group, which monitors states' fiscal conditions.

Over the past four years, states have had to close more than $530 billion in budget gaps, according to CBPP. All states except Vermont must end their fiscal years with balanced budgets, which has forced them to slash spending, raise taxes, borrow and turn to the federal government for help.

#### State fundraising decimates the economy—spending cuts and tax increases undercut demand.

Quinnell 12 — Kenneth Quinnell, political analyst and writer at *Crooks & Liars*, Adjunct Instructor in History at Tallahassee Community College, 2012 (“New Report Shows State Budget Cuts Have Hurt the Economy,” *Crooks & Liars*, April 21st, Available Online at http://crooksandliars.com/kenneth-quinnell/new-report-shows-state-budget-cut, Accessed 06-27-2012)

A new report from the Center on Budget and Policy Priorities, "Out of Balance: Cuts in Services Have Been States’ Primary Response to Budget Gaps, Harming the Nation’s Economy," places a spotlight on the right-wing assault on state budgets and the harmful effects of the growing trend of budget cuts.

The state budget gaps of the last five years led to $290 billion in cuts to public services and $100 billion in tax and fee increases. Those actions lengthened the recession and delayed the recovery. Because spending reductions were dominant, hundreds of thousands of jobs were lost; undermining education, health care and other state priorities, which likely will cause future economic harm to states. Federal aid mitigated the harmful effects of the spending cuts in the early years of the budget crunch, but its expiration last year had a catastrophic effect, making 2012 the worst year since the downturn began for cuts in funding for services.

The study looked at budget data for the last five years and found that more than 640,000 jobs have been cut by the states since 2008, undercutting the economic recovery and helping sustain a high unemployment rate nationally. Because 2012 has been the worst year for cuts since the recession began, further job losses are almost guaranteed.

The cuts have also led states to cancel contracts with vendors, reduce payments to businesses and nonprofits that provide services, and cut benefit payments to individuals — all steps that remove demand from the economy. There are long-term effects as well: By diminishing the quality of elementary and high schools, making college less affordable, and reducing residents’ access to health care, the cuts threaten to make the U.S. economy less competitive in coming decades.

While there has been a recent rebound in the growth of revenue at the state level, if the current rate of growth continues, it will take seven years to get back to where things were before the recession.

Overall, the methods used to balance state budgets — often a legal requirement — were very focused on methods that harm the economy:

\* Spending cuts 44.8 percent

\* Federal relief funds 24.0 percent

\* Tax and fee increases 15.5 percent

\* Raiding of rainy day funds and other dedicated revenue streams 8.7 percent

\* Other miscellaneous methods 7.0 percent

States have engaged in such unsustainable and negative tactics to balance their budgets that many more citizens are in vulnerable situations than before the recession.

### 1AC—Broken Windows Theory

#### Contention Two is Surface Transportation—

#### First, surface infrastructure is key to the growth of the manufacturing sector

Heintz et al '9 James, PhD in Economics, is the Associate Research Professor & Associate Director at the Political Economy Research Institute at the University of Massachusetts, Robert Pollin is Professor of Economics & Co-Director, and Heidi Garrett-Peltier is a Research Assistant (Alliance for American Manufacturing, "How Infrastructure Investments Support the U.S. Economy: Employment, Productivity and Growth", January 2009, http://americanmanufacturing.org/files/peri\_aam\_finaljan16\_new.pdf)

Public infrastructure and U.S. competitiveness As we have already discussed, the decline in public investment has been linked to slower growth in economic productivity, particularly during the 1970s and 1980s (Aschauer, 1989a; Munnell 1990a). Other researchers have shown that public investments have helped to reduce the cost of production in U.S. manufacturing (Nadiri and Mamuneas, 1994; Morrison and Schwartz, 1996). The results of our study—summarized above—also show that public investment improves private sector productivity, and the impact is proportionately larger for the manufacturing sector than for the private sector as a whole. All of this suggests that public investment in infrastructure will have a positive impact on the U.S. economy’s competitive position in the world—by raising productivity and reducing production costs. It follows that a lack of decent infrastructure will hurt U.S. competitiveness and further undermine the performance of the manufacturing sector. Manufacturing businesses rely on public goods, such as transportation systems, to operate. Reliable, affordable, and sustainable sources of energy are also essential. Inefficient infrastructure raises costs and increases risks—all of which will compromise the competitive position of the economy. Therefore, the research results presented here affirm the importance of world-class infrastructure to maintain U.S. economic performance in this era of global integration.

#### Manufacturing jobs are key to recovery—innovation spillover.

Lind and Freeman 12 — Michael Lind, Policy Director of the Economic Growth Program at the New America Foundation, and Joshua Freeman, Program Associate in the Economic Growth Program at the New America Foundation, 2012 (“Value Added: America's Manufacturing Future,” New America Foundation, April 18th, Available Online at http://newamerica.net/publications/policy/value\_added\_americas\_manufacturing\_future, Accessed 06-26-2012)

Manufacturing matters. That is the rapidly emerging consensus in the United States, after a generation in which leading policymakers, economists and journalists dismissed the importance of the U.S. manufacturing sector to the American economy. Transcending partisan divides, there is a deepening appreciation for the many ways in which a world-class, dynamic manufacturing sector contributes to innovation and American prosperity.

Manufacturing’s contribution to the economic recovery and long-term economic growth extends to other economic sectors, including commodities and professional services, through forward and backward linkages and spillover effects. America’s manufacturing companies also anchor America’s innovation ecosystem, providing demand for American researchers and a supply of investment in R&D in the U.S. Innovation in the U.S. cannot be severed from domestic production; the two belong to an innovation system whose elements benefit each other and flourish or fail together.

#### Second, resolving highway congestion is key to economic growth—interstate trade

Kahn and Levinson '11 Matthew E. is the Professor of Economics, UCLA Institute of the Environment and Sustainability and David M. is the Chair in Transportation at the University of Minnesota (Brookings: The Hamilton Project, "Fix It First, Expand It Second, Reward It Third: A New Strategy for America’s Highways", February 2011, http://www.brookings.edu/~/media/research/files/papers/2011/2/highway%20infrastructure%20kahn%20levinson/02\_highway\_infrastructure\_kahn\_levinson\_brief.pdf)

Bridges, roads, and other transportation infrastructure are crucial for facilitating trade within, between, and across states. The development and expansion of the National Highway System has facilitated trade and linked markets: markets that were once only local—from manufacturing and wholesale operations to common retail goods—are now national. The impacts of infrastructure extend from the national economy to many aspects of Americans’ everyday lives, from the length of commutes, the quality of the air, and the livability of American neighborhoods. However, estimates suggest that our valuable transportation network is degrading—the American Society of Civil Engineers estimates we are currently spending $110 billion too little each year to maintain the system at current performance levels. This accumulating wear and tear increases travel times, damages vehicles, and can lead to accidents that cause injuries and fatalities. Although the United States currently invests close to $150 billion annually on infrastructure across all levels of government, a large fraction of that is for new infrastructure projects that appear to be producing fewer results in terms of economic activity and quality-of-life improvements. The way the federal government allocates money for transportation infrastructure investments is one reason why the United States is experiencing a maintenance shortfall and falling returns on new investment. Federal highway infrastructure spending is allocated based on a series of subjective criteria that typically do not require any stringent analysis of expected benefits versus costs. Because there is often public pressure to build new projects using scarce funds, adding capacity often comes at the expense of supporting and enhancing existing infrastructure. To continue to enjoy the level of network performance that Americans often take for granted, maintenance, preservation, and enhancement of this existing system is urgently needed. Meanwhile, a key constraint with the current system is peaktime congestion. Highway drivers impose costs on others in the form of longer commute times and increased pollution, especially during rush hour and other peak driving times. Drivers do not have to take into account these costs when making their driving decisions on most roads in America. This lack of clear price signals leads some roads to be overused, resulting in too much congestion and pollution. While this congestion may indicate that more capacity is needed, it also may indicate that better pricing of the existing infrastructure is necessary to encourage users to take on the broader social costs of their travel during these peak times.

#### Third, maintaining bridges and roads are key to ensuring consumer confidence in the economy

Honigman 09—David Honigman is a former Michigan State Congressman and Senator and is currently a practicing lawyer. He is well respected in Michigan having won numerous state and national awards for his service. (“The Signaling Function of Transportation Infrastructure: the Theory of the Broken Window,” Published Online for DriveMI, a site devoted to covering transportation infrastructure in the state of Michigan on January 28, 2009, Available Online at <http://www.drivemi.org/Articles/tabid/68/ID/11835/Infrastructure-Essay-The-Signaling-Function-of-Transportation-Infrastructure-the-Theory-of-the-Broken-Window.aspx>)

I suggest that because our roads, bridges, rails and airports are the omnipresent symbol of the community's solicitude for its own economy, an untended transportation infrastructure signals a community's abandonment of hope for its economic future. For one, it suggests that the pace of economic activity has not only declined, but also there is no hope of recovery, because we would not allow our transportation infrastructure to deteriorate to a substantial degree unless we expected permanently reduced transportation needs resulting from a permanently depressed economy. It suggests misguided priorities, indecision and incompetence by the community and its government. On the other hand, a clean, efficient and modern transportation system telegraphs every day over and over again a collective expectation of and commitment to prosperity. Because we would not invest in the arteries through which commerce flows unless we believed in a future where lots of commerce will, indeed, flow, it signals a collective faith in a future where highways will carry ever more prosperous families, consumers and producers. And it signals clarity of purpose, sound priorities and competence.

A degraded transportation infrastructure taxes economic activity and depresses it not only by adding to the cost of transporting goods and services, but also because it taxes our sense of economic optimism. When the state signals that it has "abandoned" the infrastructure of personal and commercial mobility, the movement of people and business is burdened with a sense of friction and obstacle.

In combination with other consequences of poor transportation infrastructure like reduced productivity, impaired economic cooperation and less effective exploitation of comparative advantage by less specialized producers, this can trigger a cascade of harmful economic and social effects that cumulatively coalesce into a waterfall-like economic decline, not unlike what we are witnessing today. Thus, seemingly small disorders in the transportation infrastructure, like potholes, asphalt cracks and graffiti may, in turn, initiate a cascade of economic decline much like a broken window triggers a cascade of decay in a city neighborhood.

This should not surprise. Economics instructs that prosperity is vitally connected to consumers' expectations. Consumer expenditures account for more than 6 out of every $10 spent in the American economy. When consumers are upbeat, they have a higher propensity to spend on goods and services. This increases business revenues, corporate profitability, stock values and government revenues. On the other hand, crumbling consumer confidence means crumbling business sales and profits which, in turn, depresses equities, real estate and other assets. Sound familiar?

The consumer's state of mind and the state of our economy are inextricably intertwined. And the consumer's state of mind is intertwined, in a fundamental way, with the signals communicated by the relative decay or maintenance of the transportation infrastructure.

#### That’s key to economic growth—it creates a cascade effect killing growth and U.S. competitiveness.

Honigman 09—David Honigman is a former Michigan State Congressman and Senator and is currently a practicing lawyer. He is well respected in Michigan having won numerous state and national awards for his service. (“The Signaling Function of Transportation Infrastructure: the Theory of the Broken Window,” Published Online for DriveMI, a site devoted to covering transportation infrastructure in the state of Michigan on January 28, 2009, Available Online at http://www.drivemi.org/Articles/tabid/68/ID/11835/Infrastructure-Essay-The-Signaling-Function-of-Transportation-Infrastructure-the-Theory-of-the-Broken-Window.aspx)

The signs of physical disorder precipitate a cascade of negative events, motivating residents to move out of their neighborhood. And because people move out only if they have the financial means to do so, outmigration heightens the concentration of poverty among those left behind as well as transience and residential instability. This increased level of residential instability, transience and concentrated poverty, in turn, leads to more crime, disorder, instability and transience. Negative consequences feed on and fuel further negative consequences in an infinite loop.

So too does the disintegration of the transportation infrastructure constitute a highly visible cue to which consumers and businesses respond, triggering a cascade that motivates residents to move out of their community. And, as with disintegrating neighborhoods filled with broken windows, people move out only if they have the financial means to do so. This outmigration thereby increases the concentration of poverty among those left behind. Witness Detroit, the poorest big city in America. Witness Michigan, becoming poorer relative to other states all the time. A social and economic feedback loop is grounded in our investment in our roads, bridges, airports and rails. Our future is vitally threatened by the pervasive decay of our transportation infrastructure.

This whole cascade of events cannot, of course, be traced exclusively to our decaying transportation infrastructure. However, the decay of that infrastructure is a vital component of that dynamic, because it taxes and, therefore, depresses economic activity both by adding to the cost of transporting goods and services and by taxing our sense of economic optimism.

If economic actors broadly share positive expectations about the state's commitment to a high level of maintenance of the physical infrastructure that makes economic transactions possible, if economic actors believe that there is a shared and durable commitment to the principle that hard workers and risk takers will retain the overwhelming share of the fruits of their labor/risk, and the polity is committed to a set of marketplace regulations widely regarded as fair, then investment in new business and job creation will flow. If, on the other hand, economic actors observe that government cannot even maintain Detroit's roads or the New Orleans levees, and the government permits Board members and officers of major corporations to take down huge bonuses and receive government bailouts for self-dealing while shareholders are bankrupted, they hear the message that the government is inefficacious and not committed to fairness and the maintenance of either the physical infrastructure that permits economic cooperation over distance or the rules of a free and competitive market. Under such conditions, consumers and businesses alike hunker down, retreat from risk, spending and investment, and hoard cash and resources as a safety net in the face of an uncertain future. The result of such public economic disorder is the state of economic emergency that confronts us.

People assign a high value to public order, and feel relieved and reassured when the police help them maintain that order. Similarly, people assign a high value to a safe and efficient transportation infrastructure and feel reassured when the government adequately maintains the infrastructure that makes economic transactions and personal mobility possible.

In the context of the global economy, our nation's economy is vulnerable to a dynamic of withdrawal and decline similar to that of the neighborhood with a broken window when the nation signals, by its cumulative neglect of roads, bridges, airports and rails, by potholes, chunks of cement falling on the hoods of cars from overhead decaying bridges, graffiti lining expressway barriers, asphalt bike paths and cement sidewalks riddled with cracks and the occasional bridge collapse, that the nation has given up in the struggle for leadership in the global marketplace and surrendered ascendancy to other nations. And, in the context of the nation's domestic economy, Michigan signals, by the same neglect, that it has given up in the struggle for jobs and economic growth relative to other states.

#### Independently, the perception that infrastructure is in complete disrepair causes an increase in local crime and poverty

Honigman 09—David Honigman is a former Michigan State Congressman and Senator and is currently a practicing lawyer. He is well respected in Michigan having won numerous state and national awards for his service. (“The Signaling Function of Transportation Infrastructure: the Theory of the Broken Window,” Published Online for DriveMI, a site devoted to covering transportation infrastructure in the state of Michigan on January 28, 2009, Available Online at http://www.drivemi.org/Articles/tabid/68/ID/11835/Infrastructure-Essay-The-Signaling-Function-of-Transportation-Infrastructure-the-Theory-of-the-Broken-Window.aspx)

But I suggest there is another perhaps more potent explanation of the vital linkage between transportation infrastructure and the economy based on what social scientists call the Broken Window Theory.

Social scientists and police officers observe that if a building window is broken and left unrepaired, more windows will soon be broken, because “one unrepaired broken window is a signal that no one cares, and so breaking more windows costs nothing."

Philip Zimbardo, a Stanford psychologist, conducted pioneering experiments testing the broken-window theory. He parked a car without license plates with its hood up on a Bronx street and another on a Palo Alto, California street. A well-dressed, apparently middle-class family, composed of a father, mother and young son, was first to ransack the Bronx car, within 10 minutes of its "abandonment." Within 24 hours, virtually everything of value was removed. Then capricious acts of destruction beset the car --windows were smashed, parts torn off, upholstery ripped. Children used the car as a playground. The Palo Alto car sat untouched for more than a week. Then Zimbardo smashed part of it with a sledgehammer. Within a few hours, the car was turned upside down and destroyed.

The Broken Window theory asserts that seemingly small physical disorders in urban neighborhoods may lead to a cascade of physical and social decline. Minor bruises to the physical infrastructure and public incivilities like drinking in the street, spray painting graffiti, and breaking windows escalate into predatory crime, because predators learn from these expressions of disorder that residents are indifferent to what happens in their neighborhood. “Visual signs of decay silently but forcefully convey messages about the neighborhood. Disorder triggers attributions and predictions in the minds of insiders and outsiders alike, changing the calculus of homebuyers, real estate agents, insurance agents and investors.” The degree of disorder may or may not be a function of residents' degree of commitment to the maintenance and improvement of their neighborhood. But it is interpreted as such. Physical disorder is a cue that attracts predators and initiates a roaring cascade of adverse social and economic consequences.

The authors of the Broken Windows Theory describe the waterfall-like decline of neighborhoods that is often triggered where the physical infrastructure is left "untended" even in seemingly minor ways:

"A stable neighborhood of families who care for their homes, mind each other's children, and confidently frown on unwanted intruders can change, in a few years or even a few months, to an inhospitable and frightening jungle. A piece of property is abandoned, weeds grow up, a window is smashed. Adults stop scolding rowdy children; the children, emboldened, become more rowdy. Families move out, unattached adults move in. Teenagers gather in front of the corner store. The merchant asks them to move; they refuse. Fights occur. Litter accumulates. People start drinking in front of the grocery; in time, an inebriate slumps to the sidewalk and is allowed to sleep it off. Pedestrians are approached by panhandlers.

At this point… residents will think that crime…is on the rise, and they will modify their behavior accordingly. They will use the streets less often, and when on the streets will stay apart from their fellows, moving with averted eyes, silent lips, and hurried steps... Such an area is vulnerable to criminal invasion… Drugs will change hands, prostitutes will solicit, and cars will be stripped. Muggings will occur."

#### And, poverty makes extinction inevitable

Gilligan professor of Psychiatry at the Harvard Medical School 96 [James, , Director of the Center for the Study of Violence, and a member of the Academic Advisory Council of the National Campaign Against Youth Violence, Violence: Our Deadly Epidemic and its Causes, p 191-196]

The deadliest form of violence is poverty. You cannot work for one day with the violent people who fill our prisons and mental hospitals for the criminally insane without being forcible and constantly reminded of the extreme poverty and discrimination that characterizes their lives. Hearing about their lives, and about their families and friends, you are forced to recognize the truth in Gandhi’s observation that the deadliest form of violence is poverty. Not a day goes by without realizing that trying to understand them and their violent behavior in purely individual terms is impossible and wrong-headed. Any theory of violence, especially a psychological theory, that evolves from the experience of men in maximum security prisons and hospitals for the criminally insane must begin with the recognition that these institutions are only microcosms. They are not where the major violence in our society takes place, and the perpetrators who fill them are far from being the main causes of most violent deaths. Any approach to a theory of violence needs to begin with a look at the structural violence in this country. Focusing merely on those relatively few men who commit what we define as murder could distract us from examining and learning from those structural causes of violent death that are far more significant from a numerical or public health, or human, standpoint. By “structural violence” I mean the increased rates of death, and disability suffered by those who occupy the bottom rungs of society, as contrasted with the relatively lower death rates experienced by those who are above them. Those excess deaths (or at least a demonstrably large proportion of them) are a function of class structure; and that structure is itself a product of society’s collective human choices, concerning how to distribute the collective wealth of the society. These are not acts of God. I am contrasting “structural” with “behavioral violence,” by which I mean the non-natural deaths and injuries that are caused by specific behavioral actions of individuals against individuals, such as the deaths we attribute to homicide, suicide, soldiers in warfare, capital punishment, and so on. Structural violence differs from behavioral violence in at least three major respects. \*The lethal effects of structural violence operate continuously, rather than sporadically, whereas murders, suicides, executions, wars, and other forms of behavioral violence occur one at a time. \*Structural violence operates more or less independently of individual acts; independent of individuals and groups (politicians, political parties, voters) whose decisions may nevertheless have lethal consequences for others. \*Structural violence is normally invisible, because it may appear to have had other (natural or violent) causes. The finding that structural violence causes far more deaths than behavioral violence does is not limited to this country. Kohler and Alcock attempted to arrive at the number of excess deaths caused by socioeconomic inequities on a worldwide basis. Sweden was their model of the nation that had come closes to eliminating structural violence. It had the least inequity in income and living standards, and the lowest discrepancies in death rates and life expectancy; and the highest overall life expectancy in the world. When they compared the life expectancies of those living in the other socioeconomic systems against Sweden, they found that 18 million deaths a year could be attributed to the “structural violence” to which the citizens of all the other nations were being subjected. During the past decade, the discrepancies between the rich and poor nations have increased dramatically and alarmingly. The 14 to 18 million deaths a year caused by structural violence compare with about 100,000 deaths per year from armed conflict. Comparing this frequency of deaths from structural violence to the frequency of those caused by major military and political violence, such as World War II (an estimated 49 million military and civilian deaths, including those by genocide—or about eight million per year, 1939-1945), the Indonesian massacre of 1965-66 (perhaps 575,000) deaths), the Vietnam war (possibly two million, 1954-1973), and even a hypothetical nuclear exchange between the U.S. and the U.S.S.R. (232 million), it was clear that even war cannot begin to compare with structural violence, which continues year after year. In other words, every fifteen years, on the average, as many people die because of relative poverty as would be killed by the Nazi genocide of the Jews over a six-year period. This is, in effect, the equivalent of an ongoing, unending, in fact accelerating, thermonuclear war, or genocide, perpetrated on the weak and poor every year of every decade, throughout the world. Structural violence is also the main cause of behavioral violence on a socially and epidemiologically significant scale (from homicide and suicide to war and genocide). The question as to which of the two forms of violence—structural or behavioral—is more important, dangerous, or lethal is moot, for they are inextricably related to each other, as cause to effect.

# \*\*\* Inherency

## Highway Trust Fund U – HTF Broke

#### Highway Trust Fund underfunded – gas tax doesn’t account for Fuel Efficiency and Hybrids

Nichols and Holeywell 11 [Russell Nichols, Ryan Holeywell, George Washington University, Transportation and Infrastructure Journal, June 2011, Governing, <http://www.governing.com/topics/transportation-infrastructure/six-ideas-for-fixing-the-nations-infrastructure-problems.html> SS]

That’s a serious problem, according to virtually all transportation experts. The nation’s highways are primarily financed by the Highway Trust Fund, which gets most of its money from a gas tax of 18.4 cents per gallon. The tax has remained unchanged since 1993 and isn’t tied to the price of gas or inflation. As a result, it’s lost a third of its purchasing power over the past 18 years. That’s caused both short- and long-term consequences. In the short term, Congress has had to bail out the trust fund to the tune of $35 billion since 2008 -- the fund spends more money than it takes in. In the long term, the situation is even more problematic. As more and more Americans opt for hybrid and electric vehicles -- and as cars in general continue to become more fuel efficient -- the highway system faces a future in which it is perpetually underfunded. It’s a system, Schroer says today, that is “at best archaic.”

## Bridges

### Bridge Infrastructure Bad now

#### Bridges are deficient and funding is not sufficient

HSNews ’12 Homeland Security News Wire ("US aging bridges in critical condition", April 23, 2012, http://www.homelandsecuritynewswire.com/dr20120423-u-s-aging-bridges-in-critical-condition?page=0,0)

There are an estimated 18,000 bridges in the United States which are classed as fracture-critical bridges, requiring continual inspections. The American Society of Civil Engineers’ most recent report card gave the condition of bridges in the United States a grade of C. The ASCE notes that 26 percent of U.S. bridges are either structurally deficient or functionally obsolete. They note that as of 2008, the year of the most recent pre-report card survey, one in four bridges in rural areas was deficient, while one in three urban-area bridges are in the same class. Under ASCE definition, structurally deficient bridges, though not unsafe, must post speed and weight restrictions because of limited structural capacity. A functionally obsolete bridge, though not unsafe either, has older design features and geometrics, and cannot accommodate current traffic volumes, vehicle sizes, and weights. One such bridge, New York’s 57-year old Tappan Zee bridge spanning the Hudson River, carries 140,000 vehicles a day. Most of the drivers of these vehicles are not aware that the bridge is designed in such a way that if one structural component failed, the entire bridge would collapse. There is no warning of imminent collapse with this bridge design. There is no swaying or sagging preceding failure. The bridge simply collapses. The same is true of New Jersey’s Pulaski Skyway, connecting Newark and Jersey City, the San Diego-Coronado Bridge in California, and thousands of other bridges scattered across the United States. All these bridges require regular inspections and monitoring to prevent a disaster similar to the Minneapolis I-35W collapse in 2007. Businessweek reports the example of the Sherman Minton Bridge that spans the Ohio River between Kentucky and Indiana. In September 2011 inspectors discovered soda can-wide cracks and immediately closed the bridge. The span was reopened this past February after workers had attached 2.4 million pounds of steel reinforcement plate along the span. A major impediment to the necessary hands-on inspections is that such inspections are labor-intensive, costing as much as fifteen times the cost of a visual inspection done with binoculars. This additional cost comes at a time of dwindling funding for infrastructure maintenance. The ASCE report states that to maintain the current level of bridge conditions, that is, not allowing the number of deficient bridges to increase, would require an investment of $13 billion per year over fifty years. Eliminating all bridge deficiencies as they arise over the next fifty years would increase the annual investment to $17 billion, both in 2006 dollars. State and local governments pay the costs themselves, then apply for reimbursement from the federal Highway Trust Fund. The fund, according to the Congressional Budget office (CBO), is anticipated to run dry in October. Revenues for the trust fund are derived from gasoline taxes, and have been declining over the past three years as drivers buy more fuel efficient cars and drive less because of higher gas prices. Congress is at a standstill with regard to replenishing the funds.

#### Bridge infrastructure bad now- reform key

Davis et al '11 Stephen Lee with Kevin DeGood, Nick Donohue and David Goldberg are with Transportation for America, a diverse coalition of policy analysts focused on transportation reform (Transportation for America, "The Fix We’re In For: The State of Our Nation’s Busiest Bridges", October, 2011, http://t4america.org/docs/bridgereport/bridgereport-metros.pdf)

Pounded by heavy traffic day in and day out, the bridges in our metropolitan areas are indispensable links in the transportation system that takes millions of people to work and goods to market every day. And they threaten to become weak links, as they age and deteriorate in an era when public investment in infrastructure is shrinking in relative terms.. The impact of a failure to attend to our bridges became all too clear in September, 2011, when the governors of Kentucky and Indiana were forced to close the busy Sherman Minton Bridge in metropolitan Louisville after inspectors found cracks in its structural beams. The closure made national headlines as Louisville traffic was snarled and millions of Americans wondered about the condition of the busy bridges they have to cross each day. With the majority of American bridges soon due for major maintenance, overhaul or replacement, scenarios such as this could begin playing out with increasing frequency absent concerted effort and investment. The largest 102 metropolitan areas Transportation for America conducted an analysis of the National Bridge Inventory, a database produced by the Federal Highway Administration (FHWA), and found one in nine U.S. bridges has been rated “structurally deficient.” This means that the bridge is in need of more frequent monitoring and critical, near-term maintenance, rehabilitation or replacement. Structurally deficient bridges in metropolitan areas carry a disproportionate share of all trips taken on a deficient bridge each day. In fact, deficient bridges in the largest 102 metropolitan areas carry three-quarters of all traffic crossing a deficient bridge. Put another way, there are more deficient bridges in these 102 regions than there are McDonald’s restaurants in the entire country – 18,239 versus about 14,000. Worldwide, McDonald’s serves a staggering 64 million people a day. But here in America, 210 million trips are taken daily across deficient bridges in just these 102 regions. Pennsylvania leads all other states in the nation with six metropolitan areas with a high percentage of deficient bridges. Pittsburgh leads the way with 30 percent of area bridges rated deficient — higher even than the state average of 26.5 percent. It is important to note that these numbers would be worse without the intensive bridge repair program implemented by Pennsylvania in the last several years, including a quadrupling of state funding for bridge repairs. California leads the nation with the busiest deficient bridges. In Los Angeles, for example, 396 cars drive across a structurally deficient bridge every second of each day, on average. When ranking metros by the sheer volume of traffic on deficient bridges, California regions take several of the top spots, with the daily volume in Los Angeles at number one, more than double that of second place New York. Structurally deficient bridges America’s infrastructure is showing its age. Despite billions of dollars in annual federal, state and local funds directed toward the maintenance of bridges, 69,223 bridges overall are classified as “structurally deficient,” according to the Federal Highway Administration (FHWA). Moreover, many bridges have exceeded their 50-year design lifespan. Without significant investment in repair this trend is likely to worsen as the average age of an American bridge is 42 years. According to FHWA’s 2009 statistics (the most recent year for which national data are available), $70.9 billion is needed to address the current backlog of deficient bridges. The good news is that some states have worked hard to address the problem and have reduced the backlog of deficient bridges. The bad news is that, critical as these efforts are, they are not nearly enough. Two key problems persist: First, while Congress has repeatedly declared bridge safety a national priority, existing federal programs offer no real incentives or assurances that aging bridges will actually get fixed. Second, the current level of investment is nowhere near what is needed to keep up with our rapidly growing backlog of aging bridges. The metropolitan connection The silver lining for elected officials, planners, and the public is that focusing increased investment in metropolitan areas can dramatically improve safety and performance. We can have the greatest impact on the largest number of people each day by prioritizing heavily traveled deficient bridges in major metropolitan areas. In fact, repairing or replacing all of the structurally deficient bridges in the largest 102 metropolitan areas would result in a 75 percent reduction in the total number of trips taken on deficient bridges each year. Tackling a project of that size would mean tens of thousands, even millions, of new construction jobs. And several analyses have shown that repair creates more jobs per dollar than new highway construction. The problem of deficient bridges in our metropolitan areas is a stubborn one that current transportation programs have not been able to address adequately. There are several reasons why many of these bridges remain in poor condition. Large metropolitan bridges are complicated to repair or replace, given their sheer size and the complexity of working around thousands of motorists each day. They are extremely expensive to overhaul or replace. In Louisville, KY, for example, replacing the Sherman Minton bridge and another key span in need of attention would cost an estimated $4 billion. With the federal government’s current level of funding for bridge repair, that project would take 14 years and consume every dollar of the combined repair funds apportioned to Ohio and Kentucky. Recommendations As an increasing number of our bridges reach – and pass – their original design life spans, repairing the nation’s biggest and busiest bridges will require a national strategy that is not possible under a program where money is distributed to states by formula with little accountability. Simply put, the current federal program does not provide enough dedicated funding to repair and rebuild the most critical high-traffic bridges. From 2006 to 2009 the cost to fix structurally deficient bridges rose almost 50% from $48 billion to $70.9 billion, while the amount of funding provided to states for bridge repair only increased 13%. However, we cannot solve this problem simply by providing more money. We need a fundamental shift in policy to ensure that we take care of our existing infrastructure. States should be required to develop asset management plans that prioritize the repair and maintenance of aging roads and bridges. We need clear priorities to ensure that money set aside for repair can’t be spent on other things, and is directed to the most pressing needs. It is important to note that while many of the nation’s busiest structurally deficient bridges are located in metropolitan regions, current practices don’t always achieve the level of shared responsibility and coordination among state and local governments that is needed to prioritize the most urgent repair work. While many of the biggest bridges are owned by state departments of transportation, some are owned by city or county governments. Under federal law, federal funds for bridge repair flow only to the states, not local governments. Ultimately, decisions concerning the use of federal funding for bridge repair reside with the states. Local governments must play a stronger role in setting transportation investment priorities, which can be accomplished through greater coordination and so-called “suballocation” of transportation funding to regional and local governments. Without better coordination, priority setting, and “suballocation” there is little guarantee that additional funding will be directed to the most pressing repair needs. Finally, it would be a tragic and shortsighted trade-off to do as some members of Congress have suggested and eliminate funding for safe walking and bicycling in the name of bridge repair. Existing sums for those safety projects are far too small to make a significant dent in bridge repair, but they are vital in preventing fatalities and addressing the demand for safe access by foot and bicycle.

# \*\*\* Deficit Spending

### Stimulus Good

#### Cutting Consumer Debt key to increase productivity and saving the economy

Blodget 12 [Henry Blodget, co-founder, CEO and Editor-In Chief of Business Insider, A former top-ranked Wall Street analyst, Henry is also the host of Yahoo Daily Ticker, a Yahoo Finance video show viewed by several million people a month. He is often a guest on CNN, MSNBC, NPR, and other networks, has contributed to The Atlantic, Slate, Newsweek International, The New York Times, Fortune, New York, the Financial Times, and other publications. He is the author of The Wall Street Self-Defense Manual: A Consumer's Guide to Investing, was a top-ranked Wall Street Internet analyst, June 19th, 2012, “Yes, It's Time For A Massive Infrastructure Spending Program” <http://www.businessinsider.com/infrastructure-spending-program-2012-6?op=1#ixzz208Q5n4X8> SS] Four years ago, when the debt-fueled boom ended and the economy plunged into recession, most economists and politicians misdiagnosed the problem. They thought we were having just another post-War recession—a serious recession, yes, but a cyclical one, a recession that easy money, government stimulus, and a return of "confidence" could fix. A handful of economists, meanwhile, argued that the recession was actually fundamentally different—a "balance sheet" recession resulting from a quarter-century-long debt-binge, one that would take a decade or more to fix. In the past four years, it has become increasingly clear that the latter diagnosis was correct: The US economy is behaving exactly the way other economies have behaved after piling up mountains of debt and eventually going through a financial crisis. It is bumping along with disappointing growth, high unemployment, and, increasingly (and understandably) social unrest. St. Louis Fed. Total US debt, including households, companies, and the government. Can you say "$50 Trillion"? So how do you get out of a "balance sheet" recession triggered by too much debt? You reduce the debt. More specifically—and here's the critical point—you reduce the debt that is crippling [hurting] the productive part of the economy. This is the part that creates most of the jobs, prosperity, and wealth. It is also the part that pays for the rest of the economy. That part is the private sector. What debt is crippling [hurting] the private sector? Consumer debt. The household mortgages, credit cards, student loans, and other obligations that are forcing consumers to save and pay down debts instead of spend. Consumers still account for about 70% of the spending in the US economy, and that spending is now constrained. (See chart below—click for larger). (Consumer spending was also artificially boosted for 25 years by the debt binge, so there's no way we're going back to that era. And we shouldn't strive to). Calculated Risk Households are still in debt up to their eyeballs. Here's household debt as a percentage of GDP. How can consumers reduce their debts? By doing what they are doing right now: Spending less Saving more Paying down debt Restructuring debt Defaulting Importantly, this process takes time. And unless you're willing to just tear up the laws and contracts that have formed the basis of the country's economy for the past two centuries, there's no way to just wave a magic wand and make the debts go away. Also importantly, this healing process has nothing to do with "restoring confidence." Or "reducing regulation." Even if you could suddenly cast a spell and make all Americans (irrationally) exuberant again, you can't solve a debt problem with more debt. Specifically, you can't reduce the amount you owe by borrowing more. So where does that leave the economy? It leaves the private sector, the productive engine of the economy, nursing its way back to health. And it leaves the public sector—the government—trying to minimize the pain while the private sector heals itself. US Government Spending The government also has debt coming out of its eyeballs. Here's government debt as a percent of GDP. Complicating the US's problem, of course, is that the public sector—the government—has also racked up humongous debts in the past quarter century. For now, those debts are still manageable: Our creditors are still willing to lend us as much as we want, on ever-easier terms. But, eventually, these debts will have to be addressed. Specifically, at some point, the government will have to cut back spending and reduce its debts, at least as a percentage of GDP. Or the entire government will go bust.

#### Infrastructure Spending Good

Blodget 12 [Henry Blodget, co-founder, CEO and Editor-In Chief of Business Insider, A former top-ranked Wall Street analyst, Henry is also the host of Yahoo Daily Ticker, a Yahoo Finance video show viewed by several million people a month. He is often a guest on CNN, MSNBC, NPR, and other networks, has contributed to The Atlantic, Slate, Newsweek International, The New York Times, Fortune, New York, the Financial Times, and other publications. He is the author of The Wall Street Self-Defense Manual: A Consumer's Guide to Investing, was a top-ranked Wall Street Internet analyst, June 19th, 2012, “Yes, It's Time For A Massive Infrastructure Spending Program” <http://www.businessinsider.com/infrastructure-spending-program-2012-6> SS]

Instead of cutting spending and firing people, the way it has been for the last few years, the government can do the opposite: Commit to spending, say, an extra $2-$3 trillion over the next decade to rebuild our country's infrastructure--and create work and awesome infrastructure for millions of Americans in the process. Yes, the government could also commit to hiring more teachers, firefighters, policemen, and other folks who generally improve life for all Americans. But hiring those folks is much more controversial. So the government should start with a massive infrastructure spending program. But wait. Can we afford to spend $2-$3 trillion on infrastructure? We already have $15 trillion of debt, and we're accumulating more debt at a rate of more than $1 trillion per year! The answer is.... yes, we can afford it. As long as we commit to fixing our social-insurance programs (Social Security, Medicare, Medicaid) over the next decade. Those programs are what are slowly bankrupting this country, not infrastructure spending. And in the meantime, our infrastructure is collapsing. Don't think we should initiate a massive infrastructure spending program? Believe folks who tell you that "government spending doesn't work?" Think the 2009 stimulus proves that government spending doesn't work? Then read on... YES, GOVERNMENT SPENDING DOES WORK--SOME GOVERNMENT SPENDING The economy is basically composed of three big spending engines —consumers, corporations (investment), and governments. So when the first two weaken, as they have in recent years, the third can help offset this weakness. Specifically, the government can increase its spending to offset the lost consumer and business spending. When governments spend money well, moreover—such as on infrastructure projects that benefit all citizens—the impact of this spending lasts far beyond the years in which the money is spent. Roads, bridges, schools, airports, national broadband networks, and other investments can improve the country for decades. When the government spends money badly, meanwhile--on bailouts and handouts and by perpetuating unsustainable promises of entitlement programs--the money is just wasted.

### 1AC—Deficit Spending

### They Say: “Crowds Out the Private Sector”

#### No risk of crowd out—warrant

Heintz et al '9 James, PhD in Economics, is the Associate Research Professor & Associate Director at the Political Economy Research Institute at the University of Massachusetts, Robert Pollin is Professor of Economics & Co-Director, and Heidi Garrett-Peltier is a Research Assistant (Alliance for American Manufacturing, "How Infrastructure Investments Support the U.S. Economy: Employment, Productivity and Growth", January 2009, http://americanmanufacturing.org/files/peri\_aam\_finaljan16\_new.pdf)

IV. ‘CROWDING OUT’ VS. ‘CROWDING IN’: PUBLIC INVESTMENT AND PRIVATE-SECTOR PRODUCTIVITY Probably the single most common and influential argument against increasing the level of public investment is that it will ‘crowd out’ private investment—i.e. an increase in public infrastructure spending will be associated with an equivalent decline in private investment. Why would this be the case? Investments in infrastructure require real economic resources— materials, equipment, and people’s labor. They also require financial resources—money coming either from tax revenues or government borrowing. The ‘crowding out’ argument assumes that when the public sector consumes more of these real and financial resources, it necessarily diminishes the amount available to the private sector. Therefore, an increase in public capital expenditures results in less private sector production. In other words, the ‘economic pie’ is fixed. When the government takes a bigger slice, it leaves less for the private economy. However, even at the level of simple logic, the crowding out argument only holds under a specific set of narrow economic circumstances. These circumstances would be when: 1) all the economy’s real resources are being fully utilized, i.e. workers are fully employed, and the existing productive apparatus is being run full-tilt; 2) the economy’s financial resources are similarly already being fully used up in financing productive investment projects; and 3) new public investment spending makes no contribution toward expanding the economy’s productive capacity—i.e. it is not succeeding in its purpose of increasing the overall size of the economic pie. In the current economic crisis, unemployment is rising toward its highest level in a generation and financial institutions are providing almost no loans for private investment, preferring instead to hoard huge cash reserves and to purchase U.S. Treasury bonds, the single safest asset available on financial markets. Under these circumstances, there is no possibility of public investment projects bidding resources away from the private sector. Rather, higher rates of public infrastructure will increase the total number of people who can find employment, and it will put to good use the financial resources flowing into the U.S. Treasury. But these are of course extraordinary circumstances. It is also important to recognize that crowding out need not occur even when the economy is booming and unemployment is low. This is because public infrastructure investments will expand the economy’s long-term productive capacity, with benefits flowing primarily to the private sector. Because public infrastructure investment actually increases the overall size of the economic pie, both the public and the private sectors can expand together through a complimentary, mutuallysupportive growth path. More specifically, public spending provides goods and services essential for private production, including roads, bridges, energy, water, aviation, and water transport. Infrastructure improvements can increase labor productivity—e.g. more efficient transportation systems to and from work reduce wasted time. Better infrastructure can also reduce fossil fuel consumption specifically, and overall energy consumption more generally. This reduces greenhouse gas emissions, and thus the environmental barriers to economic growth. Estimating public investment benefits for overall output growth It is not difficult to offer these arguments as to the benefits of public infrastructure investment in broad generalities, but more difficult to demonstrate their validity through systematic statistical analyses. But it is crucial to be able to put these arguments to more formal tests. We therefore now turn to a formal statistical model to explore whether we can observe the anticipated positive gains from public investment spending through this formal approach. In doing so, we begin by introducing the important research conducted in the 1980s and early 1990s, led by economists Alicia Munnell and David Aschauer. Working separately, Munnell and Aschauer both suggested that public investment in the United States economy contributes to better performance of the private economy in terms of higher productivity and employment expansion (Aschauer, 1989a, 1989b; Munnell 1990a, 1990b). That is, public investment actually raises the return on private investment—crowding in rather than crowding out private investment. Both Munnell and Aschauer suggested that the sharp decline in the growth of public investment, which we documented earlier, contributed to the declining trend in productivity growth in the 1970s and 1980s. A growing infrastructure deficit would drag down the productivity and competitiveness of the U.S. economy. Numerous critiques of this earlier work were advanced, focusing on technical statistical matters. We briefly review these issues in the technical appendix. For the sake of the current discussion, it is sufficient to point out that the earlier work of Aschauer and Munnell did not fully address important properties of the data they used to generate their results, raising the possibility that the relationship they found between public investment and private economic performance was spurious. Critics argued that, once these problems were addressed, the statistical findings they had derived end up falling apart. For the current study, we re-estimated these relationships using up-to-date data and addressed the statistical issues associated with earlier research. We evaluate the impact of public infrastructure investment on the productivity of the private economy (as a whole) and on the productivity of the manufacturing sector, specifically. Again, we leave the technical details of this exercise to the appendix. Here we simply summarize the main findings. Throughout this report we have focused on total infrastructure investment, which has public and private components, with public investment including federal, state, and local government initiatives. For the purposes of this particular exercise, we narrow the focus of the analysis, with our specific concern being the impact of public investment on the private sector. We therefore exclude from our analysis the impact of the private components of infrastructure investments on overall economic performance. Sharpening our focus still further, we consider those categories of public infrastructure which would directly impact the production activities of the private sector. Therefore, we exclude categories of social infrastructure—such as educational buildings, hospitals, and conservation areas from this statistical exercise. In terms of the four infrastructure investment scenarios presented in the previous section, this means we exclude investment in public schools but include all other areas of public investment. We refer to this narrower set of public investments—public investments in transportation, water and energy as ‘core public economic infrastructure.’ We found that sustained increases in core public economic infrastructure in the United States enhance the growth of private sector GDP by a substantial amount. Our results suggest that a sustained one-percentage point increase in the growth rate of core public economic infrastructure leads to an increase in the growth rate of private sector GDP of 0.6 percentage points.

### They Say: “Other Stimulus Efforts”

#### Repairing solves stimulus takeouts

Litman '9 Todd is founder and executive director of the Victoria Transport Policy Institute (Victoria Transport Policy Institute, "Smart Transportation Economic Stimulation", April 21, 2009, http://www.vtpi.org/econ\_stim.pdf)

Transportation maintenance and repair projects are generally faster to implement (minimal delay for planning or land assembly), create more jobs per dollar (little money is required for land acquisition or expensive equipment), employ more local workers (fewer tasks require specialized labor), and are more geographically distributed than large highway capacity expansion projects (Troth 2009). Table 4 summarizes employment generation from various infrastructure investments. Future Productivity Gains Since other public investments can provide greater short-term employment and business activity per dollar spent, transportation projects would not be selected if economic stimulation were the only objective. Transportation investments justified if they also increase future economic productivity by reducing business transportation costs, such as traffic congestion and energy consumption, or achieve other objectives such as improved mobility for non-drivers. As a result, investments that increase transport system efficiency and diversity, and help create more accessible land use development patterns, can be justified for their long-term economic development benefits.

### They Say: “Transportation Bill Solves”

#### The transportation bill was not enough

Economist 7/7 (The Economist, "A patch on the road: The transport bill averts calamity, but not by much and not for long", July 7, 2012, http://www.economist.com/node/21558309)

EXACTLY 56 years after Dwight Eisenhower signed into law a bill authorising the construction of an interstate-highway network, Congress passed a transport bill on June 29th. John Mica, who chairs the House transport committee, boasted of passing “the most important transportation reform bill since Eisenhower”. Barbara Boxer, who chairs the Senate’s environment committee, crowed that Congress had “saved” the transport network Eisenhower had created. In truth, they have little to brag about. Yes, this was the first long-term transport bill since the last one expired in September 2009. And they did pass it in the nick of time: the last in a series of short-term extensions was due to expire the next day. But they only “saved” America’s transport network by avoiding a foreseeable and utterly unnecessary disaster. Still, the new bill passed both the Republican-dominated House and the Democrat-controlled Senate by large margins—no mean feat these days. Both sides made concessions. From their bill Republicans dropped provisions mandating construction of the Keystone XL oil pipeline and restricting the Environmental Protection Agency’s ability to regulate coal ash. The final bill authorises around $120 billion over the next 27 months; the bill that John Boehner, the Speaker, advocated earlier this year would have given $260 billion over the next five years. But Republicans prevailed in a battle over streamlining environmental regulations and reviews, designed to speed completion of transport projects. And this bill, like previous ones, heavily favours roads and highways over mass transit (dedicated funds for bike and walking paths also faced the chop). It keeps transit funding roughly at its current level, which mass-transit advocates say is far too low. A functional compromise bill is nothing to sneeze at, but neither is this one much to cheer about. On the crucial subject of revenue it does far too little. It raises a modest amount by increasing premiums paid to the federal pension-insurance corporation. But the federal tax on petrol has been stuck at its current 18.4 cents a gallon since 1993, even as Americans drive less in more efficient cars. Raising the petrol tax is political poison, so Congress has hit upon a drearily predictable solution: to take the money from somewhere else. This is not new: between 2008 and 2010 Congress transferred $34.5 billion from the general fund into the Highway Trust Fund (HTF), which collects federal petrol taxes and funds transport spending. The new bill gives the HTF $18.8 billion from the general fund and $2.4 billion from a fund to repair underground storage tanks. Earlier this year the Congressional Budget Office forecast the HTF’s insolvency by 2013. The current bill forestalls this until 2015. Eisenhower would be unimpressed.

#### Transportation bill did not do anything

Davis 6/29 Stephen Lee is the Deputy Communications Director for Transportation for America. (Transportation for America, "Newly approved transportation bill is a clear step backwards", June 29, 2012, http://t4america.org/pressers/2012/06/29/newly-approved-transportation-bill-is-a-clear-step-backwards-a-message-from-t4-america/)

As a result of this “compromise,” the bill dedicates zero dollars to repairing our roads and bridges, cuts the amount of money that cities and local governments would have received, makes a drastic cut in the money available to prevent the deaths of people walking or biking, and ensures that you have less input and control over major projects that affect you and the quality of your community. Despite record demand for public transportation service, this deal cut the emergency provisions to preserve existing transit service, does little to expand that service and actually removed the small provision equalizing the tax benefit for transit and parking. There are a few positives, though: Your work saved the Cardin-Cochran provision to provide grants to local communities to make their streets safer for walking or biking from the chopping block. Dedicated funding was retained, though at a lower dollar level. About half the money will be given directly to metro areas, with the remainder used at state discretion. A new grant program will fund community-led planning for neighborhood revitalization around transit lines. And a major increase in federally backed loans could help regions that raise their own transportation funds stretch them farther and build out ambitious transit plans faster. While we didn’t end up with the bill that we were all hoping for, it is clear that this bill represents the last gasp of a 20th century transportation program that has run out of steam. Gas prices are trending ever upward. Demand for public transportation is booming like never before. Demographic shifts show a more diverse America with fewer young people driving and huge increases in demand for more walkable towns and suburbs. More and more people are clamoring for safer streets and healthier communities. We’ve said this fight has just begun and indeed it has. The debate will now move to your state where many decisions will be made about how to spend this blank check. And your voice will be needed more than ever to urge your state to make sure that money reflects the priorities of local people — seniors trying to get to the doctor, families struggling to make ends meet and trying to get to their job, kids simply trying to cross the street to get to school. And because this bill is only 27 months long – less time than it took to draft and pass it – the battle for the next one begins the minute this one is signed!

# \*\*\* Highway Congestion

### 1AC—Highway Congestion

#### Resolving highway congestion is key to economic growth—interstate trade

Kahn and Levinson '11 Matthew E. is the Professor of Economics, UCLA Institute of the Environment and Sustainability and David M. is the Chair in Transportation at the University of Minnesota (Brookings: The Hamilton Project, "Fix It First, Expand It Second, Reward It Third: A New Strategy for America’s Highways", February 2011, http://www.brookings.edu/~/media/research/files/papers/2011/2/highway%20infrastructure%20kahn%20levinson/02\_highway\_infrastructure\_kahn\_levinson\_brief.pdf)

Bridges, roads, and other transportation infrastructure are crucial for facilitating trade within, between, and across states. The development and expansion of the National Highway System has facilitated trade and linked markets: markets that were once only local—from manufacturing and wholesale operations to common retail goods—are now national. The impacts of infrastructure extend from the national economy to many aspects of Americans’ everyday lives, from the length of commutes, the quality of the air, and the livability of American neighborhoods. However, estimates suggest that our valuable transportation network is degrading—the American Society of Civil Engineers estimates we are currently spending $110 billion too little each year to maintain the system at current performance levels. This accumulating wear and tear increases travel times, damages vehicles, and can lead to accidents that cause injuries and fatalities. Although the United States currently invests close to $150 billion annually on infrastructure across all levels of government, a large fraction of that is for new infrastructure projects that appear to be producing fewer results in terms of economic activity and quality-of-life improvements. The way the federal government allocates money for transportation infrastructure investments is one reason why the United States is experiencing a maintenance shortfall and falling returns on new investment. Federal highway infrastructure spending is allocated based on a series of subjective criteria that typically do not require any stringent analysis of expected benefits versus costs. Because there is often public pressure to build new projects using scarce funds, adding capacity often comes at the expense of supporting and enhancing existing infrastructure. To continue to enjoy the level of network performance that Americans often take for granted, maintenance, preservation, and enhancement of this existing system is urgently needed. Meanwhile, a key constraint with the current system is peaktime congestion. Highway drivers impose costs on others in the form of longer commute times and increased pollution, especially during rush hour and other peak driving times. Drivers do not have to take into account these costs when making their driving decisions on most roads in America. This lack of clear price signals leads some roads to be overused, resulting in too much congestion and pollution. While this congestion may indicate that more capacity is needed, it also may indicate that better pricing of the existing infrastructure is necessary to encourage users to take on the broader social costs of their travel during these peak times.

### 2AC—Congestion Bad For Economy

#### Congestion costs the economy over one hundred billion dollars—new bridges and maintenance is the only fix.

XO'11 Executive Office of the President- prepared by the President’s Council of Economic Advisers, the National Economic Council, the Department of Transportation, and the Department of the Treasury ("Recent Examples from the Economic Benefits of Investing in Infrastructure", November 2011, http://www.whitehouse.gov/sites/default/files/infrastructure\_report\_final\_pdf\_110211.pdf)

Expanding capacity by targeting investments towards key bottlenecks. One of the most significant costs of inadequate transportation infrastructure is the congestion that arises when the demand for transportation exceeds the physical capacity of the available infrastructure. According to the Texas Transportation Institute, the total cost of congestion on roads and highways in urban areas was over $100 billion in 2010, reflecting the cost of time delays and wasted fuel.7 In many instances, substantial congestion is caused by specific bottlenecks or “chokepoints” in the network. As a result, substantial net benefits may be available from targeted investments to expand capacity at those chokepoints, allowing the network to accommodate a greater flow of traffic. One important way to address critical highway bottlenecks is to replace bridges that have become inadequate for the public’s transportation needs. Often, bridges become bottlenecks when traffic has expanded dramatically on a major corridor, exceeding the levels anticipated when the bridge was originally constructed. In other instances, an old bridge may require replacement due to damage or deterioration. Another important way to increase the flow of traffic over the transportation network is to expand highway capacity in heavily congested corridors, such as major trucking routes, commuter corridors in growing urban areas, or roads providing access to expanding airports.

# \*\*\* Construction Sector

### 1AC—Construction

#### Surface transportation is key to generating construction jobs

Costa and Hersh '11 Kristina is a Special Assistant and Adam is an Economist at the Center (Center for American Progress, "Infrastructure Spending Builds American Jobs", September 8, 2011, http://www.americanprogress.org/issues/2011/09/jobs\_infrastructure.html)

The construction sector was particularly hard hit by the Great Recession of 2007-2009 and really never quite recovered, with devastating consequences for construction workers. Unemployment in construction remains dismal. In August 2011 the unemployment rate in the construction industry stood at 13.2 percent—substantially higher than the economy-wide unemployment rate of 9.1 percent. The loss of jobs and investment in construction has been dragging down the overall U.S. economy. At the same time, the United States’ transportation and other public infrastructure is underfunded, aging, and growing increasingly inadequate to serve the needs of families and business competitiveness. Fortunately, there is something very simple the federal government can do about these problems: Put more resources into infrastructure investment. We know from very recent experience that infrastructure investments deliver the goods for job creation and business growth. Two years ago, the unemployment rate for construction workers was 17 percent—before federal government stimulus funds boosted construction and the overall economy. In 2009 Congress and the Obama administration allocated an additional $29.9 billion in transportation spending for roads, bridges, and transit systems alongside another $21.7 billion for other infrastructure investments, ranging from funds for improving drinking and wastewater systems to large-scale civil engineering projects overseen by the Army Corps of Engineers. Together, this money accounted for 6 percent of spending through the Recovery and Reinvestment Act of 2009, directly creating 1.1 million jobs by March 2011 in the construction sector. Those 1.1 million jobs represent 17 percent higher construction employment than would have been the case without government action, according to an analysis by Daniel J. Wilson, an economist with the Federal Reserve.[1] Investments in infrastructure, of course, contribute more to the U.S. economy than simply providing much-needed construction sector jobs. Improved infrastructure reduces costs for businesses, making U.S. companies more competitive. Infrastructure and transportation investment indirectly creates jobs in other sectors of the economy, including manufacturing, because construction projects require sophisticated materials and machines. And the good middle-class incomes earned by those newly employed in infrastructure investment projects fuel spending elsewhere in the economy, thereby maintaining and increasing private-sector employment. When construction workers get their paychecks, for example, they may use the money to pay rent or the mortgage, buy groceries, take the kids to the dentist, or for other household spending—the same things all people do when they get paid. These activities generate sales for businesses and help create and maintain jobs for workers throughout the rest of the economy. But for construction workers, the benefits of government spending on transportation and infrastructure investments are direct. The spending helped bring down the high unemployment rates experienced in the construction sector of the economy. The accompanying chart compares the most recent August 2011 construction unemployment rate with the unemployment rates for the same month in preceding years.[2] Prior to the Great Recession, average August unemployment in the construction industry was around 6.5 percent. As the real estate market collapsed and the recession took hold, construction unemployment shot up precipitously, reaching 8.7 percent in 2008 and 17 percent in 2009. Infrastructure projects often have long planning stages, but as Recovery Act infrastructure investment kicked into gear, construction unemployment notched steadily down, falling to 16.3 percent in 2010 and then to 13.2 percent in August 2011.Academic, private-sector, and nonpartisan government studies alike confirm the positive effects of infrastructure and transportation investments on private-sector employment. Data collected and published by the Transportation and Infrastructure Committee in the House of Representatives show that every $1 billion in additional funds committed to highway projects between 2009 and 2010 produced 2.4 million job-hours, according to an analysis by Smart Growth America.[3] The return on investment on transit projects was even higher, with 4.2 million job-hours produced by every $1 billion in investment. With $21.5 billion in highway funding alone, the Recovery Act put Americans to work on our nation’s roadways for 51 million hours—time they may have otherwise spent idle and unpaid. The fact that transportation spending translates to real jobs in construction and other industries isn’t surprising. The Federal Highway Administration periodically estimates the impact of highway spending on direct employment, defined as: Jobs created directly by the firms working on a given project Jobs supported indirectly by the project, including those in firms supplying materials and equipment for projects Jobs induced by direct and indirect hires when they make consumer purchases with their paychecks In 2007 every $1 billion in federal highway expenditures supported about 30,000 jobs—10,300 in construction, 4,675 in supporting industries, and 15,094 in induced employment.[4] To be sure, not all infrastructure projects create equivalent numbers of jobs. According to a 2009 analysis by the Metropolitan Research Center at the University of Utah, transit projects and road and bridge repairs generate larger employment impacts than new road and bridge construction. According to their model, repair work on roads and bridges generates 16 percent more jobs than new construction, and transit projects generate 31 percent more jobs than new construction.[5] Today, previous government spending on infrastructure is winding down—and so is the pace of private-sector job creation.

#### Construction jobs are key to recovery—the plan opens the floodgates.

Bright 11 — Randy W. Bright, member of the American Institute of Architects and the National Council of Architectural Registration Boards, 2011 (“Construction is critically important to the U.S. economy,” *Tulsa Beacon*, June 30th, Available Online at http://www.tulsabeacon.com/?p=5250, Accessed 06-26-2012)

America’s economic recovery is going to be highly dependent upon how much construction will be done once a recovery takes place. I believe that there is tremendous pent-up demand for commercial and residential construction, and that given the right conditions, we could see a boom like we have never seen before.

Construction is incredibly important to local economies and to the aggregate economy of the nation. As an example, according to an article in the Denver Post, out of the 130,000 jobs that the state of Colorado has lost over the past three years, 60,000 of them were construction jobs. Prior to 2007, one out of every five jobs was construction related.

We have a long way to go to rebuild the construction industry to what it was before the crash. Job losses and business closures have been massive and across the board, including mortgage brokers, architects, engineers, contractors and subcontractors. In Colorado alone, 466 homebuilders closed their doors between 2007 and 2009.

### 2AC—Surface Transportation Key

#### Surface transportation collapsing now- construction unemployment and congestion increasing

Cooper 7/2 Donna is a Senior Fellow at the Center for American Progress.(Center for American Progress, "New Highway Bill Leaves Bumps in the Road", July 2, 2012, http://www.americanprogress.org/issues/2012/07/highway\_bill.html/print.html)

But let’s not kid ourselves. The bill falls far short of what’s needed to build a 21st century transportation system capable of improving [U.S. competitiveness](http://www.americanprogress.org/issues/2012/02/pdf/infrastructure.pdf). The far right plays politics with our rails and roadways The current highway bill—the [Safe, Accountable, Efficient Transportation Equity Act](http://www.fhwa.dot.gov/safetealu/legis.htm)—was on its ninth temporary extension and set to expire on June 30. Without an agreement on a new bill or another extension, tens of thousands of construction and related jobs would have vanished within weeks. The ripple effect on the economy could have set the markets tumbling, with grave consequences for the fragile recovery. Nevertheless, the [Heritage Foundation and Tea Party Republicans](http://thehill.com/blogs/transportation-report/highways-bridges-and-roads/235533-conservative-groups-rev-up-opposition-to-highway-bill) called for a “no” vote on the bill. Blind to the devastating economic impact of failing to pass a bill, the Grover Norquist-driven misinformation campaign prompted the far right to label this status quo-funding bill as a “[massive increase in federal gluttony](http://thehill.com/blogs/transportation-report/highways-bridges-and-roads/235533-conservative-groups-rev-up-opposition-to-highway-bill).” Of course, this Tea Party talking point is flat-out wrong. Annual federal highway appropriations have not been increased above the rate of inflation since 2009 and the bill maintains current levels of funding through September 31, 2014. But that flat funding is bad news for the U.S. economy. Nearly [150,000 bridges need repair](http://www.fhwa.dot.gov/bridge/deficient.cfm) and [half of all the nation’s road miles](http://roughroads.transportation.org/RoughRoads_FullReport.pdf) need to be resurfaced or significantly repaired. The poor condition of both roads and bridges leads to more frequent vehicle repairs, contributes to higher costs for goods, and [requires](http://roughroads.transportation.org/RoughRoads_FullReport.pdf) detours and slow travel. Moreover, the construction sector's unemployment rate is still more than 14 percent. Yet for every $1 billion in new highway or transit investment, [approximately 20,000 new jobs are likely to be created.](http://www.peri.umass.edu/236/hash/efc9f7456a/publication/333/) The Center for American Progress’s [in-depth review](http://www.americanprogress.org/issues/2012/02/pdf/infrastructure.pdf) of U.S. infrastructure needs found that federal appropriations need to double from their current level to bring our infrastructure up to par. Although the bill’s flat funding undermines progress on transit and rail, the full House roundly rejected the [Tea Party ploy to cut transit funding and decouple it from the Highway Trust Fund](http://www.americanprogress.org/issues/2012/02/highway_bill.html). Had the decoupling succeeded, the Reagan legacy of funding transit improvements from a small portion of the gas tax would have ended, forcing transit improvements to rely on annual appropriations from Congress. It’s a mystery why Tea Party leaders seem intent on slowing transit expansion. Measures to increase transit and rail access grow more popular with gas prices averaging more than[$3.50 per gallon](http://www.eia.gov/petroleum/gasdiesel/). Slowing the pace of transit and rail expansion is tantamount to a national policy for more choking congestion on our roads.

# \*\*\* Manufacturing Sector

### 1AC—Manufacturing

#### Surface infrastructure is key to the growth of the manufacturing sector

Heintz et al '9 James, PhD in Economics, is the Associate Research Professor & Associate Director at the Political Economy Research Institute at the University of Massachusetts, Robert Pollin is Professor of Economics & Co-Director, and Heidi Garrett-Peltier is a Research Assistant (Alliance for American Manufacturing, "How Infrastructure Investments Support the U.S. Economy: Employment, Productivity and Growth", January 2009, http://americanmanufacturing.org/files/peri\_aam\_finaljan16\_new.pdf)

Public infrastructure and U.S. competitiveness As we have already discussed, the decline in public investment has been linked to slower growth in economic productivity, particularly during the 1970s and 1980s (Aschauer, 1989a; Munnell 1990a). Other researchers have shown that public investments have helped to reduce the cost of production in U.S. manufacturing (Nadiri and Mamuneas, 1994; Morrison and Schwartz, 1996). The results of our study—summarized above—also show that public investment improves private sector productivity, and the impact is proportionately larger for the manufacturing sector than for the private sector as a whole. All of this suggests that public investment in infrastructure will have a positive impact on the U.S. economy’s competitive position in the world—by raising productivity and reducing production costs. It follows that a lack of decent infrastructure will hurt U.S. competitiveness and further undermine the performance of the manufacturing sector. Manufacturing businesses rely on public goods, such as transportation systems, to operate. Reliable, affordable, and sustainable sources of energy are also essential. Inefficient infrastructure raises costs and increases risks—all of which will compromise the competitive position of the economy. Therefore, the research results presented here affirm the importance of world-class infrastructure to maintain U.S. economic performance in this era of global integration.

#### Manufacturing jobs are key to recovery—innovation spillover.

Lind and Freeman 12 — Michael Lind, Policy Director of the Economic Growth Program at the New America Foundation, and Joshua Freeman, Program Associate in the Economic Growth Program at the New America Foundation, 2012 (“Value Added: America's Manufacturing Future,” New America Foundation, April 18th, Available Online at http://newamerica.net/publications/policy/value\_added\_americas\_manufacturing\_future, Accessed 06-26-2012)

Manufacturing matters. That is the rapidly emerging consensus in the United States, after a generation in which leading policymakers, economists and journalists dismissed the importance of the U.S. manufacturing sector to the American economy. Transcending partisan divides, there is a deepening appreciation for the many ways in which a world-class, dynamic manufacturing sector contributes to innovation and American prosperity.

Manufacturing’s contribution to the economic recovery and long-term economic growth extends to other economic sectors, including commodities and professional services, through forward and backward linkages and spillover effects. America’s manufacturing companies also anchor America’s innovation ecosystem, providing demand for American researchers and a supply of investment in R&D in the U.S. Innovation in the U.S. cannot be severed from domestic production; the two belong to an innovation system whose elements benefit each other and flourish or fail together.

# \*\*\* Trucking Industry

### 1AC—Trucking

#### The trucking industry is growing but it needs better roads to maintain the trend—key to freight.

Marcos '11 Cristina is (The Hill: Transportation, "Truckers highlight the need for increase in infrastructure spending", May 20, 2011, http://thehill.com/blogs/transportation-report/highways-bridges-and-roads/162437-truckers-highlight-need-for-increase-in-infrastructure-spending)

A jump in the freight transported by trucks is a sign pointing to a need for increased spending on infrastructure, the American Trucking Association argues. The U.S. freight economy is projected to grow in the next decade, with trucks carrying the most goods and revenue, according to a new report from the group. The American Trucking Association’s U.S. Freight Transportation Forecast to 2022 predicts the amount of freight transported will increase by 24 percent by 2022. The freight transportation industry's revenue is projected to rise by 66 percent.The trucking group argues the forecast shows a need for increased investments by Congress in the nation’s highway system. “Highways are the lifeblood of the economy,” ATA chief economist Bob Costello said in an interview. “And this study shows that we should make sure we invest in highways and bridges.” The trucking industry's share of the freight market will jump to 70 percent by 2022, though its share of freight revenues will only increase 0.2 percent. In comparison, domestic waterborne transportation is likely to only grow 2 percent annually until 2016, and then grow 0.2 percent per year through 2022. Rail’s share of freight is expected to fall to 14.6 percent from 15.3 percent. Business groups have been pressing Congress to spend money on the nation’s roads, waterways, rails and bridges. Costello said the trucking group is worried about a decaying infrastructure. “We're very concerned that infrastructure is decaying,” he said. “We can't ignore investments in infrastructure, because they're too important.”

# \*\*\* Broken Windows

### 1AC—Broken Windows Theory

#### Contention Two is Broken Windows

#### Maintaining bridges and roads are key to ensuring consumer confidence in the economy

Honigman 09—David Honigman is a former Michigan State Congressman and Senator and is currently a practicing lawyer. He is well respected in Michigan having won numerous state and national awards for his service. (“The Signaling Function of Transportation Infrastructure: the Theory of the Broken Window,” Published Online for DriveMI, a site devoted to covering transportation infrastructure in the state of Michigan on January 28, 2009, Available Online at <http://www.drivemi.org/Articles/tabid/68/ID/11835/Infrastructure-Essay-The-Signaling-Function-of-Transportation-Infrastructure-the-Theory-of-the-Broken-Window.aspx>)

I suggest that because our roads, bridges, rails and airports are the omnipresent symbol of the community's solicitude for its own economy, an untended transportation infrastructure signals a community's abandonment of hope for its economic future. For one, it suggests that the pace of economic activity has not only declined, but also there is no hope of recovery, because we would not allow our transportation infrastructure to deteriorate to a substantial degree unless we expected permanently reduced transportation needs resulting from a permanently depressed economy. It suggests misguided priorities, indecision and incompetence by the community and its government. On the other hand, a clean, efficient and modern transportation system telegraphs every day over and over again a collective expectation of and commitment to prosperity. Because we would not invest in the arteries through which commerce flows unless we believed in a future where lots of commerce will, indeed, flow, it signals a collective faith in a future where highways will carry ever more prosperous families, consumers and producers. And it signals clarity of purpose, sound priorities and competence.

A degraded transportation infrastructure taxes economic activity and depresses it not only by adding to the cost of transporting goods and services, but also because it taxes our sense of economic optimism. When the state signals that it has "abandoned" the infrastructure of personal and commercial mobility, the movement of people and business is burdened with a sense of friction and obstacle.

In combination with other consequences of poor transportation infrastructure like reduced productivity, impaired economic cooperation and less effective exploitation of comparative advantage by less specialized producers, this can trigger a cascade of harmful economic and social effects that cumulatively coalesce into a waterfall-like economic decline, not unlike what we are witnessing today. Thus, seemingly small disorders in the transportation infrastructure, like potholes, asphalt cracks and graffiti may, in turn, initiate a cascade of economic decline much like a broken window triggers a cascade of decay in a city neighborhood.

This should not surprise. Economics instructs that prosperity is vitally connected to consumers' expectations. Consumer expenditures account for more than 6 out of every $10 spent in the American economy. When consumers are upbeat, they have a higher propensity to spend on goods and services. This increases business revenues, corporate profitability, stock values and government revenues. On the other hand, crumbling consumer confidence means crumbling business sales and profits which, in turn, depresses equities, real estate and other assets. Sound familiar?

The consumer's state of mind and the state of our economy are inextricably intertwined. And the consumer's state of mind is intertwined, in a fundamental way, with the signals communicated by the relative decay or maintenance of the transportation infrastructure.

#### That’s key to economic growth—it creates a cascade effect killing growth and U.S. competitiveness.

Honigman 09—David Honigman is a former Michigan State Congressman and Senator and is currently a practicing lawyer. He is well respected in Michigan having won numerous state and national awards for his service. (“The Signaling Function of Transportation Infrastructure: the Theory of the Broken Window,” Published Online for DriveMI, a site devoted to covering transportation infrastructure in the state of Michigan on January 28, 2009, Available Online at http://www.drivemi.org/Articles/tabid/68/ID/11835/Infrastructure-Essay-The-Signaling-Function-of-Transportation-Infrastructure-the-Theory-of-the-Broken-Window.aspx)

The signs of physical disorder precipitate a cascade of negative events, motivating residents to move out of their neighborhood. And because people move out only if they have the financial means to do so, outmigration heightens the concentration of poverty among those left behind as well as transience and residential instability. This increased level of residential instability, transience and concentrated poverty, in turn, leads to more crime, disorder, instability and transience. Negative consequences feed on and fuel further negative consequences in an infinite loop.

So too does the disintegration of the transportation infrastructure constitute a highly visible cue to which consumers and businesses respond, triggering a cascade that motivates residents to move out of their community. And, as with disintegrating neighborhoods filled with broken windows, people move out only if they have the financial means to do so. This outmigration thereby increases the concentration of poverty among those left behind. Witness Detroit, the poorest big city in America. Witness Michigan, becoming poorer relative to other states all the time. A social and economic feedback loop is grounded in our investment in our roads, bridges, airports and rails. Our future is vitally threatened by the pervasive decay of our transportation infrastructure.

This whole cascade of events cannot, of course, be traced exclusively to our decaying transportation infrastructure. However, the decay of that infrastructure is a vital component of that dynamic, because it taxes and, therefore, depresses economic activity both by adding to the cost of transporting goods and services and by taxing our sense of economic optimism.

If economic actors broadly share positive expectations about the state's commitment to a high level of maintenance of the physical infrastructure that makes economic transactions possible, if economic actors believe that there is a shared and durable commitment to the principle that hard workers and risk takers will retain the overwhelming share of the fruits of their labor/risk, and the polity is committed to a set of marketplace regulations widely regarded as fair, then investment in new business and job creation will flow. If, on the other hand, economic actors observe that government cannot even maintain Detroit's roads or the New Orleans levees, and the government permits Board members and officers of major corporations to take down huge bonuses and receive government bailouts for self-dealing while shareholders are bankrupted, they hear the message that the government is inefficacious and not committed to fairness and the maintenance of either the physical infrastructure that permits economic cooperation over distance or the rules of a free and competitive market. Under such conditions, consumers and businesses alike hunker down, retreat from risk, spending and investment, and hoard cash and resources as a safety net in the face of an uncertain future. The result of such public economic disorder is the state of economic emergency that confronts us.

People assign a high value to public order, and feel relieved and reassured when the police help them maintain that order. Similarly, people assign a high value to a safe and efficient transportation infrastructure and feel reassured when the government adequately maintains the infrastructure that makes economic transactions and personal mobility possible.

In the context of the global economy, our nation's economy is vulnerable to a dynamic of withdrawal and decline similar to that of the neighborhood with a broken window when the nation signals, by its cumulative neglect of roads, bridges, airports and rails, by potholes, chunks of cement falling on the hoods of cars from overhead decaying bridges, graffiti lining expressway barriers, asphalt bike paths and cement sidewalks riddled with cracks and the occasional bridge collapse, that the nation has given up in the struggle for leadership in the global marketplace and surrendered ascendancy to other nations. And, in the context of the nation's domestic economy, Michigan signals, by the same neglect, that it has given up in the struggle for jobs and economic growth relative to other states.

#### Independently, the perception that infrastructure is in complete disrepair causes an increase in local crime and poverty

Honigman 09—David Honigman is a former Michigan State Congressman and Senator and is currently a practicing lawyer. He is well respected in Michigan having won numerous state and national awards for his service. (“The Signaling Function of Transportation Infrastructure: the Theory of the Broken Window,” Published Online for DriveMI, a site devoted to covering transportation infrastructure in the state of Michigan on January 28, 2009, Available Online at http://www.drivemi.org/Articles/tabid/68/ID/11835/Infrastructure-Essay-The-Signaling-Function-of-Transportation-Infrastructure-the-Theory-of-the-Broken-Window.aspx)

But I suggest there is another perhaps more potent explanation of the vital linkage between transportation infrastructure and the economy based on what social scientists call the Broken Window Theory.

Social scientists and police officers observe that if a building window is broken and left unrepaired, more windows will soon be broken, because “one unrepaired broken window is a signal that no one cares, and so breaking more windows costs nothing."

Philip Zimbardo, a Stanford psychologist, conducted pioneering experiments testing the broken-window theory. He parked a car without license plates with its hood up on a Bronx street and another on a Palo Alto, California street. A well-dressed, apparently middle-class family, composed of a father, mother and young son, was first to ransack the Bronx car, within 10 minutes of its "abandonment." Within 24 hours, virtually everything of value was removed. Then capricious acts of destruction beset the car --windows were smashed, parts torn off, upholstery ripped. Children used the car as a playground. The Palo Alto car sat untouched for more than a week. Then Zimbardo smashed part of it with a sledgehammer. Within a few hours, the car was turned upside down and destroyed.

The Broken Window theory asserts that seemingly small physical disorders in urban neighborhoods may lead to a cascade of physical and social decline. Minor bruises to the physical infrastructure and public incivilities like drinking in the street, spray painting graffiti, and breaking windows escalate into predatory crime, because predators learn from these expressions of disorder that residents are indifferent to what happens in their neighborhood. “Visual signs of decay silently but forcefully convey messages about the neighborhood. Disorder triggers attributions and predictions in the minds of insiders and outsiders alike, changing the calculus of homebuyers, real estate agents, insurance agents and investors.” The degree of disorder may or may not be a function of residents' degree of commitment to the maintenance and improvement of their neighborhood. But it is interpreted as such. Physical disorder is a cue that attracts predators and initiates a roaring cascade of adverse social and economic consequences.

The authors of the Broken Windows Theory describe the waterfall-like decline of neighborhoods that is often triggered where the physical infrastructure is left "untended" even in seemingly minor ways:

"A stable neighborhood of families who care for their homes, mind each other's children, and confidently frown on unwanted intruders can change, in a few years or even a few months, to an inhospitable and frightening jungle. A piece of property is abandoned, weeds grow up, a window is smashed. Adults stop scolding rowdy children; the children, emboldened, become more rowdy. Families move out, unattached adults move in. Teenagers gather in front of the corner store. The merchant asks them to move; they refuse. Fights occur. Litter accumulates. People start drinking in front of the grocery; in time, an inebriate slumps to the sidewalk and is allowed to sleep it off. Pedestrians are approached by panhandlers.

At this point… residents will think that crime…is on the rise, and they will modify their behavior accordingly. They will use the streets less often, and when on the streets will stay apart from their fellows, moving with averted eyes, silent lips, and hurried steps... Such an area is vulnerable to criminal invasion… Drugs will change hands, prostitutes will solicit, and cars will be stripped. Muggings will occur."

#### And, poverty makes extinction inevitable

Gilligan professor of Psychiatry at the Harvard Medical School 96 [James, , Director of the Center for the Study of Violence, and a member of the Academic Advisory Council of the National Campaign Against Youth Violence, Violence: Our Deadly Epidemic and its Causes, p 191-196]

The deadliest form of violence is poverty. You cannot work for one day with the violent people who fill our prisons and mental hospitals for the criminally insane without being forcible and constantly reminded of the extreme poverty and discrimination that characterizes their lives. Hearing about their lives, and about their families and friends, you are forced to recognize the truth in Gandhi’s observation that the deadliest form of violence is poverty. Not a day goes by without realizing that trying to understand them and their violent behavior in purely individual terms is impossible and wrong-headed. Any theory of violence, especially a psychological theory, that evolves from the experience of men in maximum security prisons and hospitals for the criminally insane must begin with the recognition that these institutions are only microcosms. They are not where the major violence in our society takes place, and the perpetrators who fill them are far from being the main causes of most violent deaths. Any approach to a theory of violence needs to begin with a look at the structural violence in this country. Focusing merely on those relatively few men who commit what we define as murder could distract us from examining and learning from those structural causes of violent death that are far more significant from a numerical or public health, or human, standpoint. By “structural violence” I mean the increased rates of death, and disability suffered by those who occupy the bottom rungs of society, as contrasted with the relatively lower death rates experienced by those who are above them. Those excess deaths (or at least a demonstrably large proportion of them) are a function of class structure; and that structure is itself a product of society’s collective human choices, concerning how to distribute the collective wealth of the society. These are not acts of God. I am contrasting “structural” with “behavioral violence,” by which I mean the non-natural deaths and injuries that are caused by specific behavioral actions of individuals against individuals, such as the deaths we attribute to homicide, suicide, soldiers in warfare, capital punishment, and so on. Structural violence differs from behavioral violence in at least three major respects. \*The lethal effects of structural violence operate continuously, rather than sporadically, whereas murders, suicides, executions, wars, and other forms of behavioral violence occur one at a time. \*Structural violence operates more or less independently of individual acts; independent of individuals and groups (politicians, political parties, voters) whose decisions may nevertheless have lethal consequences for others. \*Structural violence is normally invisible, because it may appear to have had other (natural or violent) causes. The finding that structural violence causes far more deaths than behavioral violence does is not limited to this country. Kohler and Alcock attempted to arrive at the number of excess deaths caused by socioeconomic inequities on a worldwide basis. Sweden was their model of the nation that had come closes to eliminating structural violence. It had the least inequity in income and living standards, and the lowest discrepancies in death rates and life expectancy; and the highest overall life expectancy in the world. When they compared the life expectancies of those living in the other socioeconomic systems against Sweden, they found that 18 million deaths a year could be attributed to the “structural violence” to which the citizens of all the other nations were being subjected. During the past decade, the discrepancies between the rich and poor nations have increased dramatically and alarmingly. The 14 to 18 million deaths a year caused by structural violence compare with about 100,000 deaths per year from armed conflict. Comparing this frequency of deaths from structural violence to the frequency of those caused by major military and political violence, such as World War II (an estimated 49 million military and civilian deaths, including those by genocide—or about eight million per year, 1939-1945), the Indonesian massacre of 1965-66 (perhaps 575,000) deaths), the Vietnam war (possibly two million, 1954-1973), and even a hypothetical nuclear exchange between the U.S. and the U.S.S.R. (232 million), it was clear that even war cannot begin to compare with structural violence, which continues year after year. In other words, every fifteen years, on the average, as many people die because of relative poverty as would be killed by the Nazi genocide of the Jews over a six-year period. This is, in effect, the equivalent of an ongoing, unending, in fact accelerating, thermonuclear war, or genocide, perpetrated on the weak and poor every year of every decade, throughout the world. Structural violence is also the main cause of behavioral violence on a socially and epidemiologically significant scale (from homicide and suicide to war and genocide). The question as to which of the two forms of violence—structural or behavioral—is more important, dangerous, or lethal is moot, for they are inextricably related to each other, as cause to effect.

### Poverty Bad—Air Pollution

#### Poverty causes air pollution

Mabogunje, prof. of Geography in Nigeria and former preosdent of International geographic union, 02 (Akin L Mabogunje, chairman of the Development Policy Centre in Ibadan, Nigeria, formerly was Professor of Geography, Dean of the Faculty of the Social Science, and Director of the Planning Studies Programme, University of Ibadan, Nigeria, former President of the International Geographical Union (1980-1984). He served as Chairman of the Committee on Human Settlements of the Scientific Committee on Problems of the Environment (SCOPE) of the International Council of Scientific Unions (1977-79), Jan/Feb 02, “Poverty and environmental degradation: Challenges within the global economy”, Environment, Vol. 44, Iss. 1, pg. 8)

Urban pollution. Urban pollution represents an increasing feature of cities and metropolitan areas in developing countries. It begins with the difficult shelter conditions of squatter settlements, which consist of makeshift huts on land to which the poor have no ownership rights and which usually lack adequate water supply and sanitation facilities. Air pollution becomes a serious concern in such areas. The dependence of the poor on biomass fuels for cooking and other domestic uses increases the concentration of suspended particulates, which often reach levels that exceed World Health Organization (WHO) standards in areas where the poor are concentrated. The need of the poor for cheap means of transport within urban areas has encouraged the proliferation of highly polluting transportation modes such as single-stroke engine motorcycles. Poorly maintained secondhand vehicles heighten the level of air pollution in most cities of developing countries.18

#### Second, air pollution kills 70,000 people in the U.S. every year—the impact is linear.

Roberts 2 — Bernie Fischlowitz-Roberts, Analyst at the Earth Policy Institute, 2002 (“Air Pollution Fatalities Now Exceed Traffic Fatalities by 3 to 1,” Earth Policy Institute, September 17th, Available Online at http://www.earth-policy.org/plan\_b\_updates/2002/update17, Accessed 06-10-2012)

The World Health Organization reports that 3 million people now die each year from the effects of air pollution. This is three times the 1 million who die each year in automobile accidents. A study published in The Lancet in 2000 concluded that air pollution in France, Austria, and Switzerland is responsible for more than 40,000 deaths annually in those three countries. About half of these deaths can be traced to air pollution from vehicle emissions.

In the United States, traffic fatalities total just over 40,000 per year, while air pollution claims 70,000 lives annually. U.S. air pollution deaths are equal to deaths from breast cancer and prostate cancer combined. This scourge of cities in industrial and developing countries alike threatens the health of billions of people.

Governments go to great lengths to reduce traffic accidents by fining those who drive at dangerous speeds, arresting those who drive under the influence of alcohol, and even sometimes revoking drivers' licenses. But they pay much less attention to the deaths people cause by simply driving the cars. While deaths from heart disease and respiratory illness from breathing polluted air may lack the drama of deaths from an automobile crash, with flashing lights and sirens, they are no less real.

Air pollutants include carbon monoxide, ozone, sulfur dioxide, nitrogen oxides, and particulates. These pollutants come primarily from the combustion of fossil fuels, principally coal-fired power plants and gasoline-powered automobiles. Nitrogen oxides can lead to the formation of ground-level ozone. Particulates are emitted from a variety of sources, primarily diesel engines. "Smog"-a hybrid word used to describe the mixture of smoke and fog that blankets some cities-is primarily composed of ozone and particulates.

#### Third, this impact will only get worse—every reduction in air pollution saves thousands of lives.

Plumer 12 — Brad Plumer, Reporter focusing on energy and environmental issues for the *Washington Post*, previously served as Associate Editor at *The New Republic*, 2012 (“What’s going to kill us in 2050? Air pollution — and lots of it,” *WONKblog*—a *Washington Post* blog, March 15th, Available Online at http://www.washingtonpost.com/blogs/ezra-klein/post/whats-going-to-kill-us-in-2050-air-pollution--and-lots-of-it/2012/03/15/gIQAgiDgES\_blog.html, Accessed 06-10-2012)

Air pollution tends to get wildly underrated as a public health concern. Everyone knows malaria is deadly. Or that access to clean water is a problem. And yet, in the next few decades, air pollution will kill far more people than both of those things combined, according to a new report.

On Wednesday, the OECD released its “Environmental Outlook to 2050,” which contained a few spots of cheery news. Humanity is making steady progress against malaria. Worldwide, the number of deaths from the disease are expected to fall by half by 2050. And fewer people will die from unsafe drinking water and poor sanitation in the future. But the number of deaths caused by air pollution — which includes ground-level ozone, particulate matter, and “indoor pollution” — are expected to skyrocket, killing more than 6 million people per year by mid-century. Here’s the chart: [graphic chart omitted] (OECD Environmental Outlook 2050)

The situation is particularly acute in India. In 2010, about 90 people out of every million died prematurely from ground-level ozone, which is formed when emissions from power plants, vehicles and factories react with sunlight. The resulting pollution can “trigger a variety of health problems including chest pain, coughing, throat irritation, and congestion. It can worsen bronchitis, emphysema, and asthma.” And by 2050, according to the OECD, about 130 Indians out of every million are likely to die prematurely from exposure.

Wealthy countries aren’t immune, either, especially as places like the United States and Europe age, given that the elderly are especially sensitive to ozone pollution. While it’s technically feasible to reduce ground-level ozone, these control measures tend to be pricey and controversial — the Obama White House nixed stricter ozone standards last September for this very reason.

Other pollutants, however, could prove much easier to tackle. Take particulate pollution, which the OECD expects will kill 3.6 million people per year by 2050. A lot of lung-damaging particulate matter comes from the burning of fossil fuels. And actions to curb them can prove quite cost-effective. The EPA’s new regulations on mercury, for instance, will reduce U.S. particulate pollution, as coal plants install new scrubbers. That, the agency estimates, will save an estimated 11,000 lives per year by 2016 and deliver between $36 billion to $89 billion per year in health benefits. And all for a cost of $9.6 billion per year.

# \*\*\* Solvency Mechanisms

## Maintenance Key

### Fix It Approach

#### Bridges Crumbling – lack of maintenance, political commitment, and balanced polices – prioritization key

Madsen and Davis 10 [Travis Madsen and Benjamin Davis, Frontier Group Phineas Baxandall, Ph.D., U.S. PIRG Education Fund April 2010, US PIRG Education Fund, “Road Work Ahead Holding Government Accountable for Fixing America’s Crumbling Roads and Bridges” http://www.uspirg.org/sites/pirg/files/reports/Road-Work-Ahead.pdf SS]

Over the last 50 years, America has built roads and bridges at a pace and scale that dwarfs most of the rest of the world. We’ve built a national highway network like no other, with more than 45,000 miles of interstate highway and 575,000 highway bridges.

Now, much of that system is showing its age—and as maintenance needs continue to grow, we are falling farther behind. Across the nation, drivers face more than 150,000 miles of roads in less than good condition and more than 70,000 decaying bridges. Neglected maintenance of roads and bridges acts as a constant drain on our economy and a scourge on our quality of life. Rough and rutted roads cause accidents, damage vehicles, trigger traffic jams that lead to countless hours of delay, and waste money Americans need for other expenses. On some occasions—such as the 2007 collapse of the I-35 bridge in Minneapolis, Minnesota—it can lead to profound tragedy.

Why are America’s roads and bridges in such terrible shape? And who or what is to blame?

One thing is for sure: the deterioration of our roads and bridges is no accident. Rather, it is the direct result of count- less policy decisions that put other considerations ahead of the pressing need to preserve our investment in the highway system. Political forces often undermine a strong commitment to maintenance. Members of Congress, state legislators and local politicians thrive on ribbon-cut-tings. Powerful special interests push for new and bigger highways. Meanwhile, federal and state policies—which should provide strong guidance in the wise use of taxpayer dollars—often fail to achieve the proper balance between building new infrastructure and taking care of what we already have built.To fix our roads and bridges, America first must fix our transportation policies. To counteract the tendencies to neglect repair and maintenance, we must adopt strong “fix it first” rules that give priority to mainte- nance of our existing roads and bridges, set national goals for the condition of our trans- portation system, and hold state govern- ments accountable for achieving results.

#### Here’s our Solvency Advocate

Madsen and Davis 10 [Travis Madsen and Benjamin Davis, Frontier Group Phineas Baxandall, Ph.D., U.S. PIRG Education Fund April 2010, US PIRG Education Fund, “Road Work Ahead Holding Government Accountable for Fixing America’s Crumbling Roads and Bridges” http://www.uspirg.org/sites/pirg/files/reports/Road-Work-Ahead.pdf SS]

Policy Recommendations

To implement a “Fix it First” vision, the federal government should:

• Prioritize highway and bridge maintenance and repair. Trans- portation infrastructure is crucial

to the function of local, state and national economies. Accordingly, it

is in the interest of the country as a whole that states take excellent care of these assets and maximize their value. States should be held account- able for properly maintaining roads and bridges, and should be required to demonstrate progress to the public according to specific, measurable benchmarks.

• Reorganize federal highway pro- grams. Federal highway programs should have a sharper focus, oriented toward the achievement of specific national priorities and goals with measureable outcomes.

•

Create a highway program specifically focused on all projects that would increase road capacity. This program should ensure that new high- way or bridge projects undergo rigorous evaluation and prioriti- zation at the federal level—much like the New Starts program for public transportation projects.

Consolidate programs aimed at repair and maintenance into one focused program. The federal government should es- tablish a highway program aimed at existing asset management

to better dedicate resources to repair and maintenance. An ex- ample of how not to do this is the Highway Bridge Program, which muddles its focus by simultane- ously directing funding towards the divergent priorities of preventative maintenance, repair of structurally deficient spans, and replacement of functionally obsolete spans—with no goals or accountability for performance. Instead, states should prepare annual asset management plans to target the most important projects.

• Require states receiving federal aid to plan for future maintenance of the new roads they build. States receiving federal transportation funds should calculate and publicly report the 10-, 20- and 50-year maintenance costs of all new or improved infra- structure projects and develop a plan demonstrating that such funds will

be available over the lifespan of the infrastructure. Such requirements are commonplace in state applications

for federal transit investments such as for the New Starts program, which must demonstrate where future operating funds will come from as a condition for eligibility.

• Measure performance the right way. The federal government should establish performance measures con- nected to national goals that drive in- vestment decisions. These standards could include, for example, annual reduction in number of fatalities or accidents, the fraction of roadways

in good condition, the deck area of structurally deficient bridges or the number of vehicles traveling over structurally deficient bridges. If goals and performance criteria are to be taken seriously for determining al- location of resources, then standards must be well established and reported publicly on an annual basis. Federal funding should ensure uniform stan- dards for assessing infrastructure and training inspectors. The independent source of these funds will ensure

that states do not underfund inspec- tion and that inspectors need not be concerned about retaining their jobs after identifying bad news for their employers. Reward states for good perfor- mance on national objectives. States already receive bond ratings for how well they act to meet future obligations to investors who buy their assets. By that same principle, the U.S. DOT could develop a system to rate states based on their progress, or lack thereof, on preventative main- tenance, deferred maintenance, and resources dedicated to repair. States with unsatisfactory ratings would be prohibited from transferring funds out of federal repair programs for other purposes, and would risk losing their full federal funding over time.

To implement a Fix it First vision, state and local governments should:

• Adopt Fix it First policies. All states should adopt Fix it First policies analogous to those in Maryland, New Jersey and Illinois. For example, in 1999, Illinois passed Illinois FIRST (a Fund for Infrastructure, Roads, Schools and Transit)—a five-year, $12 billion program to restore aging roads and bridges, revitalize mass transit, repair suburban schools, clean up urban brownfields, upgrade water and sewer systems and improve qual- ity of life throughout the state. Spe- cifically, these policies should require state departments of transportation to focus on the rehabilitation of exist- ing transportation facilities before turning attention to the construction of new highways.

#### Prioritizing Repair Can Create Jobs

Madsen and Davis 10 [Travis Madsen and Benjamin Davis, Frontier Group Phineas Baxandall, Ph.D., U.S. PIRG Education Fund April 2010, US PIRG Education Fund, “Road Work Ahead Holding Government Accountable for Fixing America’s Crumbling Roads and Bridges” http://www.uspirg.org/sites/pirg/files/reports/Road-Work-Ahead.pdf SS]

Investing in repair can create jobs and economic activity. Repair and maintenance projects on roads and bridges produce on average of 16 percent more jobs than new highway construction per dollar spent, in part because a greater share of proj- ect costs go directly into workers’ pockets, and less to right-of-way purchase, en- gineering, and impact studies.139 Every $1 billion invested in bridge repair creates more than 20,000 jobs.140

#### That’s Key

Madsen and Davis 10 [Travis Madsen and Benjamin Davis, Frontier Group Phineas Baxandall, Ph.D., U.S. PIRG Education Fund April 2010, US PIRG Education Fund, “Road Work Ahead Holding Government Accountable for Fixing America’s Crumbling Roads and Bridges” http://www.uspirg.org/sites/pirg/files/reports/Road-Work-Ahead.pdf SS]

America’s failure to maintain its roads and bridges has many causes. From political pressures that disfavor re- pair or maintenance, to state and federal policies that fail to prioritize maintenance and fail to hold states accountable, there is plenty of blame to go around.

Fixing America’s roads and bridges, therefore, will require more than just spending more money on transportation. It requires a top-to-bottom shift in the nation’s transportation funding priorities and policies.

Many transportation experts argue that America should adopt a “Fix it First” ap- proach to investment in our road and bridge infrastructure. The most fiscally prudent way to manage our transportation system is to make sure that structural and safety problems get addressed in a timely way—before roads or bridges must be closed or catastrophe strikes. We must recognize that the post-World War II highway-building boom is over, and we have entered a new era. Investments in new and ever larger highways are inconsistent with a transportation future in which more resources will be needed for maintenance and for rounding out the network

with public transportation, intercity rail and other transportation options.

What steps are necessary to hold government accountable for ensuring our roads and bridges are maintained in good repair, and that any such policy has real teeth?

First, it means that system maintenance must become a top priority for highway programs in the years to come.

Second, national transportation pro- grams for improving the state of good repair must link spending to measureable outcomes. Federal policy should ensure that every transportation dollar delivers the greatest impact. If states seeking ad- ditional highway funds must demonstrate progress in actually achieving a good state of repair, then it will become less of a problem to ensure that states prioritize re- pair and maintenance.

Third, it means that proposals for new or expanded highways or bridges must be evaluated on criteria based on need. A repair- and maintenance-oriented policy does not mean that no new highways will ever be built or bridges expanded—indeed, in some parts of the country, expansion projects may well be warranted. Rather, it means that if the federal government is to prioritize repair and maintenance of roads, then states will need to pare their “wish lists” for expansion until they demonstrate that a good state of repair. Doing so will also save tremendously on future transportation costs.

Fourth, it means that provisions must be made—at both the federal and state levels—to fund the most urgent and important projects first, guided by national goals and objective criteria. While states can take pride in reducing the sheer num- ber of structurally deficient bridges, it is more important to reduce the number of people who travel over structurally deficient bridges and roads each day, and to address the most pressing problems be- fore they force the prolonged closure of highways or bridges, especially in highly populated areas.

## TIFIA

### Expand TIFIA

#### Expanding TIFIA allows for states to complete projects with flexibility

Nichols and Holeywell 11 [Russell Nichols, Ryan Holeywell, George Washington University, Transportation and Infrastructure Journal, June 2011, Governing, <http://www.governing.com/topics/transportation-infrastructure/six-ideas-for-fixing-the-nations-infrastructure-problems.html> SS]

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.”

## VMT

### Vehicle Miles-Traveled Fee

#### VMT solves long term revenue

Nichols and Holeywell 11 [Russell Nichols, Ryan Holeywell, George Washington University, Transportation and Infrastructure Journal, June 2011, Governing, <http://www.governing.com/topics/transportation-infrastructure/six-ideas-for-fixing-the-nations-infrastructure-problems.html> SS]

In the long term, just about everyone besides federal lawmakers endorses a transition from a gas tax to a vehicle miles-traveled fee (VMT). That would be a truer “user fee” that pegs drivers’ payments to their use of roads, essentially solving the funding problem caused by fuel-efficient cars. “We’ve got all these federal policies toward reducing fuel consumption,” says Trey Baker of the Texas Transportation Institute, a research group within Texas A&M University. “But when you drive down fuel consumption, you’re driving down the revenue base. What are you going to do when the vehicle fleet looks completely different than it does now?”

## Build America Bonds

### BABs

#### When the Build America Bonds program expired at the end of 2010 states lost a vital source of funding for infrastructure projects.

Luhby 10—Tami Luhby is a senior writer for CNNMoney (Another Blow to State Budgets: Build America Bonds Ends,” Published Online on December 22, 2010 by CNNMoney, Available Online at http://money.cnn.com/2010/12/22/news/economy/build\_america\_bonds/index.htm)

States and localities are about to kiss a vital source of funds goodbye.

The Build America Bonds program, a hugely popular Recovery Act initiative that allowed many state and municipal agencies to support infrastructure projects, is coming to an end on Dec. 31.

State and local officials had hoped Congress would extend the program by a year or two, but federal lawmakers have not been feeling very generous to states recently. They did not include the bonds in the [$858 billion tax-deal](http://money.cnn.com/2010/12/15/news/economy/tax_deal_cost/index.htm), as some had hoped.

Nearly $180 billion in debt has been issued under the program since its inception in April 2009, according to Thomson Reuters. Build America Bonds account for more than a quarter of this year's municipal bond issuance, helping boost the sector to a record level.

The Obama administration created the program last year to help state and local agencies regain access to the bond markets after the financial crisis made it tough for them to borrow. These agencies depend on issuing tax-exempt debt to finance capital projects, but investors were demanding high interest rates amid the global financial meltdown.

Under the Build America Bonds program, the agencies issue taxable bonds with the federal government subsidizing 35% of the interest payments.

The money has been used to rebuild highways, shore up bridges, upgrade rail systems and put up college dormitories.

"In some cases, it allowed them to go ahead with vital infrastructure projects that they needed," said Daniel Berger, senior market strategist at Thomson Reuters Municipal Market Data. "This has given them access to capital to fund these projects."

States and municipalities don't usually dabble in the taxable bond market. The Build America Bond program allowed them to tap into to a larger pool of investors, such as foreign buyers who aren't interested in tax-exempt debt because they wouldn't reap any advantages.

And the popularity of the bonds allowed the public agencies to lock in lower rates for the long-term debt, which saved them a bundle.

#### The expiration of the program meant states had to defer large infrastructure projects.

Luhby 10—Tami Luhby is a senior writer for CNNMoney (Another Blow to State Budgets: Build America Bonds Ends,” Published Online on December 22, 2010 by CNNMoney, Available Online at http://money.cnn.com/2010/12/22/news/economy/build\_america\_bonds/index.htm)

Agency officials say they aren't quite sure what to expect in 2011 when they are forced to rely only on the tax-exempt bond market.

It's unclear whether the traditional investors in government debt will return with sufficient demand to compensate for the expiration of the Recovery Act program, said Erik Kriss, spokesman for the budget division in New York. That may force states and municipalities to offer high interest rates to lure them in.

Public agencies within the Empire State issued $19.6 billion worth of Build America Bonds, the second highest level.

Agencies nationwide may not turn to the bond market as often next year. The University of California already estimates it will issue only $300 million of debt in 2011, one-tenth what it issued in the 20 months of the Build America Program.

"They won't quite have all the access they had before," said Berger of Thomson Reuters. "They may have to defer some projects."

This could not only slow infrastructure improvements, but could also cost people their jobs. The Build America Bonds program helped spur growth in hiring of heavy and civil construction workers, the only category of builders not to shrink over the past year, according to Ken Simonson, chief economist of the Associated General Contractors of America.

The initiative, along with other Recovery Act funding for infrastructure, helped boost public construction spending by 2.2% over the past year, Simonson said. By comparison, private non-residential construction spending plummeted by 21%.

"Build America Bonds unquestionably helped states to do more construction than they would have been able to," he said. "I am worried public construction will take a hit in 2011."

# \*\*\* States CP Answers

#### STATES BAD- irresponsible spending practices = transportation collapsing and no state money to fund

Smart Growth America and Taxpayers for Common Sense '11 Smart Growth America is the national organization dedicated to researchingcoalitions to bring smart growth practices. Taxpayers for Common Sense is a non-partisan budget watchdog serving as an independent voice for American taxpayers.(Smart Growth America, "Repair Priorities Transportation spending strategies to save taxpayer dollars and improve roads", June 2011, http://www.smartgrowthamerica.org/documents/repair-priorities.pdf)

Federal leaders also have a vested interest in seeing transportation funds spent more efficiently. Allowing states to under-invest in repair and preservation greatly reduces the value of past and future federal road investments. In addition, roads in poor condition can negatively impact interstate trade and travel, the effect of which can be felt across large regions and across state lines. Federal transportation policy strongly influences state transportation decisions, and current federal policies may be contributing to the lack of progress in the states. For this reason, reform is essential at both the state and federal levels. Prioritizing repair and preservation will improve road conditions while protecting taxpayers from increased future liabilities.I. Expanding roads at the cost of repair For decades, states have invested disproportionately in road expansion and left regular repair and preservation underfunded. Between 2004 and 2008, states together added 23,300 lane-miles of major roads and spent more to build these new miles than they did to repair and maintain all 1.9 million lane-miles of their existing highways.10,11 The roads built as part of these expansion projects represent only 1.3% of states’ total highway mileage, but the projects consumed 57% of the combined funds spent on road repair and expansion – $22 billion. Meanwhile, repair and preservation of the remaining 98.7% of states’ roads accounted for only 43% of that spending – $16 billion.12 State-by-state spending priorities More information about each state’s spending is available in Appendix A, Table A-IV. In addition, a series of 50 profiles with detailed information about each state’s transportation spending decisions, road conditions, and other investment strategies that make the most of taxpayer dollars are available online as a companion to this report. View the profiles and a map of state-by-state statistics at www. smartgrowthamerica.org/repair-priorities. Poor funding choices means roads are wearing out across the country. Many states have chosen to defer road repair and preservation, resulting in deteriorating network conditions. The scope of this problem goes beyond a few potholes or cracks. Based on data provided to FHWA by the states, an estimated 52% of the country’s major roads (732,500 lane-miles) were in “fair” or “poor” condition as of 2008.15 The American Society of Civil Engineers 2009 Report Card for America’s Infrastructure gave the nation’s roads a “D-,” down from a “D” in 2005 and a “D+” in 2001.16 These poor road conditions are a large and growing financial liability for states and FHWA data illustrates how overwhelming this burden has become. States would collectively need to spend $43 billion every year for 20 years to bring roads currently in poor condition up to good and then keep roads in good condition going forward (see Table 1). To put this number in perspective, it is a higher level of spending than what states are currently spending on all repair, preservation, and new capacity combined. This makes clear that states’ priorities have drifted too far from regular preservation and repair and in so doing have created a deficit that will take decades to reverse.

#### **States no fund- fed key now**

Plumer '12 Brad is a reporter focusing on energy and environmental issues. He was previously an associate editor at The New Republic.(Washington Post, "Why can’t we just leave infrastructure spending to the states?", March 12, 2012, http://www.washingtonpost.com/blogs/ezra-klein/post/why-cant-we-just-leave-infrastructure-spending-to-the-states/2012/03/21/gIQAjpYBSS\_blog.html?wprss=rss\_ezra-klein)

Yesterday, I pointed out that Rep. Paul Ryan’s GOP budget proposal would require the federal government to spend less and less on transportation over time. Reihan Salam asks whether this is really such a bad thing. Can’t state governments just pick up the slack? That’s possible, sure. But it hasn’t happened so far. As a recent report (pdf) from the Congressional Budget Office detailed, the federal government’s share of infrastructure spending has already been shrinking since the 1960s and 1970s. And the states, which still provide the vast majority of spending on roads and highways, haven’t made up the difference. The end result? There’s less infrastructure spending overall as a percent of GDP: Keep in mind that this is all happening at a time when infrastructure is getting increasingly expensive to build — the CBO notes that the cost of building highways has tripled since 1980, far faster than inflation. States are spending the same, but getting less and less. Now, maybe this would all be okay if we were keeping our roads and bridges and pipes in good shape. But various experts and groups like the American Civil Society of Engineers seem to think that we’re woefully under-investing in infrastructure of all sorts. One potential pitfall with handing over more and more infrastructure responsibilities to the states, meanwhile, is that states tend to cut way back on spending during recessions. And local funding can be pretty erratic, all told. Here’s a graph from New America’s Samuel Sherradan, based on CBO data: We’ve seen this in the current downturn. Sherraden observes that California’s transportation spending declined by 31 percent from 2007 to 2009 after the housing bubble burst and local tax revenue fell. The same goes for Texas, which saw an 8 percent drop. “[I]t is clear,” Sherraden writes, “that leaving a greater share of infrastructure spending to state and local governments makes infrastructure investment more vulnerable during downturns.”

### States

#### **Current stimulus funds insufficient- state budgets bad**

Sherraden '11 Samuel is The Associate Program Director, Economic Growth Program (New America Foundation, "Failing to Fill the Holes in State Budgets: Why the Recovery Act Spending on Infrastructure Fell Short", February 17, 2011, http://newamerica.net/publications/policy/failing\_to\_fill\_the\_holes\_in\_state\_budgets\_why\_the\_recovery\_act\_spending\_on\_infr)

A significant amount of the federal infrastructure spending in the Recovery Act went to meeting unfunded or underfunded infrastructure projects at the state and local level. Some Recovery Act funds were subject to provisions that required that states maintain funding upon receipt of federal funds. The U.S. Department of Transportation, one of the agencies subject to the Maintenance of Effort (MOE) provision in the Recovery Act, intended that funding “supplement, not supplant, state transportation spending.” To obtain Recovery Act funds, state governors had to certify to the U.S. Secretary of Transportation that they would make an effort not to decrease state transportation spending from February 17, 2009 to September 30, 2010.[8] But, many states found it difficult to maintain spending levels due to falling revenue. Despite efforts to the contrary, the Recovery Act often provided a buffer to the loss of revenue at the state level, rather than increasing overall infrastructure spending. Highway funding in the Recovery Act was not sufficient to plug the holes in some state budgets. For example, the decline in highway spending by the California Department of Transportation (Caltrans) in 2008-2009 was far more than the Recovery Act funds appropriated to Caltrans during the same year. Caltrans had to make significant cutbacks in the budget from fiscal year 2005-2006 to fiscal year 2008-2009 primarily due to a loss of revenue. The state budget was also reduced because of a fall in reimbursements from local government transportation projects that Caltrans performed. Local governments too, suffered from a loss of revenue. Relative to the decline in spending at the state level, the Recovery Act made up for only a small amount (see chart below). Furthermore, this decline in funding does not compensate for the decline in local government infrastructure spending. In sum, the Recovery Act probably did not improve the state of California’s infrastructure, but at best helped only to mitigate its decline. California’s transportation infrastructure remains underfunded. In the most recent needs assessment for state highways, the state found that about 24% of the needs for California’s state highways are projected to be funded.[9] Some of the largest unmet needs are in roadway, bridge, and roadside preservation (see chart). Other states, which did not experience as dramatic a fall in spending during the Great Recession, forecast more difficult years ahead. Texas, for example, saw a more moderate decline in transportation spending during the Great Recession and increased infrastructure spending in 2010 and 2011, but expects declining funding from 2011-2015 and with it, declining infrastructure quality. The decline in funding of more than 30% projected to take place from FY2011 to FY2015 will take a toll on Texas’s infrastructure. According to the Texas Department of Transportation, the percentage of roads with good quality is expected to decline from about 85% in 2010 to 35% in 2020 (see chart).[10] Some states have insulated transportation spending somewhat by funding projects with gasoline taxes and transportation fees as opposed to funding infrastructure from shrinking general revenues. Despite these alternate funding mechanisms, many states have either had to cut spending on infrastructure, spend down state controlled highway trust funds, or both. Conclusion Infrastructure spending in the Recovery Act consisted of only about $92 billion, or 12% of total Recovery Act funding. This relatively minor down payment of America’s infrastructure deficit was also used to fill holes in infrastructure spending at the state and local level, left behind by the Great Recession. As the remaining Recovery Act funds are spent and states' budgets remain tight, it is likely that the quality of U.S. infrastructure will decline in the years ahead.

#### **Devolving authority to states = bad and no solve/ perm solves**

Cooper '12 Donna is a Senior Fellow at the Center for American Progress. (Center for American Progress, "Meeting the Infrastructure Imperative: An Affordable Plan to Put Americans Back to Work Rebuilding Our Nation’s Infrastructure", February 2012, http://www.americanprogress.org/issues/2012/02/pdf/infrastructure.pdf)

Help states get more productivity out of every dollar spent Some members of Congress are calling for the federal role in transportation to be “devolved” to the states. This is a bad idea. States already are responsible for the oversight of the federal surface-transportation funds. They oversee the local planning process and have the authority to decide how their federal highway, transit, and specialized surface transportation funds are spent. One obvious consequence of devolving federal highway and transit programs to the states would be shifting the political consequences of higher gas taxes or insufficient transportation funding entirely onto state elected officials. More importantly, our country would no longer have a single entity responsible for ensuring a highly functional interstate highway system and national safety standard, all of which are essential for goods movement, commuting, national security, and leisure travel.

But states do need a more rational federal structure. The Department of Transportation alone administers more than 100 federal programs for transportation, and state and local infrastructure agencies typically tap more than one federal program for large-scale projects. 158 Under the current system, it’s a Herculean feat for state or local agencies to line up federal grants, loans, and tax benefits in a timely manner so that infrastructure projects can proceed. Nevertheless, the breadth of federal programs is impressive. With streamlining, sufficient resources, and integrated planning, federal infrastructure investments can have a significantly larger impact. States should get more discretion with how funds are allocated among federal highway/transit programs and greater flexibility to use innovative bidding processes, engage private partners in the financing of large-scale projects, employ creative solutions to meet environmental protection requirements, and impose tolls on roads and bridges in the federal highway system.

#### **States = new =/= repair- guts solvency**

Cooper '12 Donna is a Senior Fellow at the Center for American Progress. (Center for American Progress, "Meeting the Infrastructure Imperative: An Affordable Plan to Put Americans Back to Work Rebuilding Our Nation’s Infrastructure", February 2012, http://www.americanprogress.org/issues/2012/02/pdf/infrastructure.pdf)

Increase the rate of repairs on existing infrastructure In 2009 the American Association of State Highway and Transportation Officials’ “Rough Roads Ahead” report found that only half of the nation’s major roads are in good condition, based on an analysis of Federal Highway Administration data. The situation is worse in high-traffic, urban areas where one in four roads is in poor condition. In some major urban centers, more than 60 percent of roads are in poor condition. 162 In spite of the pressing need to repair these roads, Smart Growth America, a nationally recognized coalition of national and state organizations focused on innovative transportation policy solutions, found that states spent 57 percent of their highway funds building new roads between 2004 and 2008. 163 Smart Growth America found that 23,300 new lane miles were constructed—a 1.3 percent expansion. Meanwhile, the existing 1.9 million lane miles deteriorated due to state decisions to prioritize expansion of the system over maintenance. Repair costs rise exponentially when roads are not routinely maintained. According to the American Association of State Highway and Transportation Officials, every $1 spent to keep a road in good condition avoids spending between $6 and $14 later to rebuild the same road once it has deteriorated significantly. 164 Smart Growth points out that “these poor road conditions are a large and growing financial liability for states and Federal Highway Administration data illustrates how overwhelming this burden has become. States would collectively need to spend $43 billion every year for 20 years to bring roads currently in poor condition up to good and then keep roads in good condition going forward.” 165 $43 billion is more than what all 50 states are currently spending on all repairs, preservation, and new capacity combined. Although states lack the resources to address the full backlog of road repairs, federal policies should give an advantage to states that increase the pace by which they are bringing existing roads up to a state of good repair. Doing so would not add to the cost of upgrading our infrastructure but would ensure what needs to get fixed gets fixed first.

### States CP links to politics/ elections

#### Unpopular- empirics, lobbies, ideology, constituency

Dilger '11 Robert Jay is a Senior Specialist in American National Government and is director of the Institute for Public Affairs and a professor of political science at West Virginia University

(Congressional Research Service, "Federalism Issues in Surface Transportation", Janury 5, 2011, http://www.fas.org/sgp/crs/misc/R40431.pdf)

Congress has debated the federal role in surface transportation policy since the nation’s formation in 1789. A review of the historical record suggests that the debate over the federal role in surface transportation policy has been influenced by factors both internal and external to the institution. Internally, the background, personalities, and ideological preferences of congressional leaders such as Senator Harry Byrd, Senator Daniel Patrick Moynihan, and Representative E. G. “Bud” Shuster have had a profound impact on the development of federal-state-local government relationships in surface transportation policy over time. The norms, customs, and traditions of the House and Senate have also had an influence. For example, the decentralized nature of decisionmaking in both the House and the Senate has compartmentalized decisions into more manageable pieces, but, arguably, has made it more difficult for Congress to develop broad-based policies that cut across committee jurisdictions or to enact proposals to consolidate programs or devolve programmatic authority to states as these actions might upset existing power relationships and require the consent of several committees and committee chairs. For example, in the House of Representatives, programmatic and funding distribution issues are under the jurisdiction of the Committee on Transportation and Infrastructure, but tax and Highway Trust Fund issues are under the jurisdiction of the Committee on Ways and Means. In the Senate, most programmatic and funding distribution issues are under the jurisdiction of the Committee on Environment and Public Works for highways and other aspects of Title 23, but are under the Committee on Banking, Housing, and Urban Affairs for transit. Tax and Highway Trust Fund issues are under the jurisdiction of the Committee on Finance. In the Senate, most safety issues are under the jurisdiction of either the Committee on Environment and Public Works or the Committee on Commerce, Science, and Transportation. The size of the 75-member House Committee on Transportation and Infrastructure may also have an impact on federal-state-local relationships in surface transportation policy as each Member has a natural tendency to attempt to maximize surface transportation resources for their home district. Arguably, the committee’s unusually large size could make it more difficult to eliminate congressional earmarks or to achieve committee approval for program consolidations or devolution of programmatic authority because such changes are often viewed as jeopardizing existing funding streams and the ability of Members to claim and receive credit for helping their constituents. 126 Externally, interest groups representing both the private and public sectors have historically been united in their advocacy of additional federal funding, but have been divided over how program funds should be allocated, both among states and among transportation modes. Congress has tended to arbitrate the differences among these varied interests by balancing the need to promote the national interest with the recognition that, for the most part, state and local government officials have proven over time to be relatively capable administrators of surface transportation programs. As a result, Congress has rejected efforts to devolve programmatic authority to states. Instead, it has adopted policies that have expanded state programmatic flexibility while, at the same time, promote the national interest by requiring state and local governments to adhere to federal guidelines for managing the project development process and monitoring highway and bridge conditions, highway safety programs, traffic congestion mitigation programs, transit facility and equipment maintenance programs, as well as intermodal transportation facilities and systems. Presidents, perhaps reflecting their role in representing the national interest as a whole and, perhaps, at least in part, because several Presidents had formerly served as governors, have tended to be more supportive of program consolidation and devolution of programmatic authority in surface transportation policy than Congress. This has been especially the case when the President’s ideology favored smaller government. Typically, presidential efforts to consolidate surface transportation programs have faced strong opposition from private sector interest groups worried that program consolidation will result in less funding for the consolidated programs over time, and from Members worried that consolidation could lead to less funding for specific programs that are important to them. Perhaps the most difficult factor to account for in the development of federalism relationships in surface transportation policy over time has been the changing nature of American society and expectations concerning personal mobility. Once a rural society with relatively limited expectations concerning personal mobility, America is now a primarily urban/suburban society where automobile ownership and the personal mobility that automobile ownership brings is not only a powerful social status symbol but also a necessity. Obtaining a drivers’ license is now a major life-altering event, signifying for millions of American teenagers each year the transition from childhood to adulthood. Because the American bond with the automobile is strong, moving away from a primary focus on building and constructing highways towards a “more balanced” intermodal transportation approach has been made more difficult for policymakers at all levels of government. Moreover, given the public’s relatively high expectations concerning personal mobility, Congress has been reluctant to consolidate or devolve surface transportation programs to states, at least in part, because some Members worry that if states are provided additional authority and fail to meet public expectations, that they might be held accountable for that failure on election day. In their view, a more prudent, risk-adverse approach is to provide states additional programmatic flexibility, but retain a federal presence through both program oversight and the imposition of federal guidelines to ensure that states do not stray too far from national objectives.

### Stimulus not transportation

#### AT other stimulus CP's

### Transpo Scenario planning good

Once associated with private companies and the military, scenario planning is

increasingly used by state and local policy-makers to make better transportation

decisions. Scenario planning analyzes potential changes by considering a number

of alternate futures and how transportation systems and communities would be

impacted. Traditional planning, by contrast, is typically based on assumptions

about the location and nature of future growth. Assumptions are often

“straight line” extrapolations from the past. Yet, changes in economic activity,

land use, demographics and other factors dramatically alter the future development

of a community or region. Scenario planning has the potential to capture

these dynamics and help a community determine the impact of different policies

and decisions on how their community looks, grows, and operates in the future –

and to consider which policies and decisions best meet their needs. This type

of planning allows communities to understand the benefits and consequences

of different decisions and target scarce federal funding towards transportation

projects that have the greatest return on investment.

<http://t4america.org/docs/The%20Most%20For%20Our%20Money.pdf>

### AT States

#### **States can’t solve- funding issues and irresponsible bridge spending**

TFA '11 Lilly Shoup, Nick Donohue, Marisa Lang, Tanya Mejia, Sean Barry, David Goldberg, and Stephen Lee Davis is Transportation for American (Transportation for America, "The Fix We’re In For:

The State of Our Nation’s Bridges", March 30, 2011, http://t4america.org/docs/bridgereport/bridgereport-national.pdf)

States Cannot Keep Up Without Federal Support Bridges provide crucial access between regions and cities, linking workers to jobs, goods to markets and people to essential services. According to the FHWA, transportation agencies would need $70.9 billion to overcome the current backlog of deficient bridges.3 This investment would be money well spent, as poor bridge conditions have major implications for traveler safety, mobility and economic activity. Allowing roads and bridges to slip into disrepair ultimately costs state and local governments billions more than the cost of regular, timely repair. Over a 25-year period, deferring maintenance of bridges and highways can cost three times as much as preventative repairs. The backlog also increases safety risks, hinders economic prosperity and significantly burdens taxpayers. Preservation efforts can also extend the expected service life of a road for an additional 18 years, preventing the need for major reconstruction or replacement.4 In addition to the safety imperative, investing in the construction, expansion and repair of our nation’s transportation infrastructure creates jobs today while laying the foundation for long-term economic prosperity. Repair work on roads and bridges generates 16 percent more jobs than construction of new bridges and roads.5 For all these reasons, Congress has repeatedly declared the condition and safety of our bridges to be of national significance. However, the current federal program does not ensure transportation agencies have enough money and accountability to get the job done. Recommendations As our nation’s bridges continue to age, Congress needs to provide states with increased resources to repair and rebuild them. As the chart earlier in this report shows, the federal transportation program currently provides only a fraction of the funds needed for maintenance and repair. Although a number of states are making repair of existing assets a priority, more support from the federal government is essential. The nation’s bridges are aging and traffic demands are increasing, even as state and local revenues are shrinking. Though the size of the federal program increased by 14 percent between 2006 and 2009, state-level needs increased at the same time by 47 percent. Congress also must ensure funds sent to states for bridge repair are used only for that purpose. Today, states can transfer bridge funds to other purposes – even if they have bridges clearly in need of repair. These funds should only be used for other purposes if the state’s bridges are in a state of good repair.

#### Perm (fed fund states do) Solves best

TFA '11 Lilly Shoup, Nick Donohue, Marisa Lang, Tanya Mejia, Sean Barry, David Goldberg, and Stephen Lee Davis is Transportation for American (Transportation for America, "The Fix We’re In For:

The State of Our Nation’s Bridges", March 30, 2011, http://t4america.org/docs/bridgereport/bridgereport-national.pdf)

In addition, states should be given the flexibility to develop long-term programs that prioritize both keeping bridges in good condition and fixing or replacing deficient bridges. Even in instances where it is more cost-effective to perform regular repair on a bridge to prevent it from becoming deficient, the current federal program only allows states to fix a bridge that is structurally deficient with a low sufficiency rating. Some states are already taking constructive steps to repair their infrastructure. These best practices could serve as a model for other states and complement an improved federal program. Michigan, for example, has greatly increased the ratio of spending on routine maintenance and pavement preservation vis-à-vis capacity increases and new roads by attempting to meet a goal of 95 percent of freeways and 85 percent of non-freeways in good condition by 2007, a goal established by Michigan’s State Transportation Commission in 1997. The Florida Department of Transportation is bound by state statute that lists preservation as the first of three “prevailing principles,” and sets maintenance standards for pavement and bridges.

#### **States can’t solve- funding problems**

AASHTO '8 American Association of State Highway and Transportation Officials(Diane Publishing Co., Bridging the Gap: Restoring and Rebuilding the Nation's Bridges, July 2008, Book)

Future Funding Prospects Troubling Federal funding accounted for 63 percent of the money spent on bridge rehabilitation and repair in 2004 with state and local governments providing the rest. But the future of federal funding is uncertain. In the short-term a shortfall in the Highway Trust Fund could result in a federal funding reduction of 34 percent in FY 2009, unless Congress takes action. Even if that is remedied, without new revenue, the Trust Fund could only support a $20 billion Federal-aid Highway Program in 2010, half the current funding level. State and local transportation funding is also likely to be hard-hit as those governments cope with reduced tax revenues as fuel sales and property tax income decline. State examples further demonstrate the magnitude of the nation’s bridge needs: The Texas DOT has estimated that it would need to invest approximately $1 billion annually or, about $12.5 billion overall when inflation is considered, to bring a least 90 percent of its bridges to a “good or better" rating within 10 years. Total federal funding to Texas is about $2.5 billion annually for all highway needs. ~ Tennessee estimates $1 billion is needed to remedy the structural deficiencies on state bridges, with another $741 million needed for locally owned bridges. ~ Pennsylvania has estimated it would cost S14 billion to repair just its structurally deficient bridges, not including bridges that need to be widened. ~ New Mexico estimates it has some $220 million in bridge needs, but can fund only about $13 million per year. - Oklahoma estimates that $2.5 billion would be necessary to replace 626 bridges on the state system. That is currently not funded. An increasing number of states are concluding that a decline in the quality or their bridge inventory will be inevitable it additional investments are not made. To protect the public, states will be forced to put weight limits on many bridges and close others outright unless they can fund the necessary investment levels. These closures and postings will impede commerce and decrease the efficiency of the nation’s transportation network.

### Gas Tax links to politics

#### **Gas tax = political poison**

Economist 7/7 (The Economist, "A patch on the road: The transport bill averts calamity, but not by much and not for long", July 7, 2012, http://www.economist.com/node/21558309)

But the federal tax on petrol has been stuck at its current 18.4 cents a gallon since 1993, even as Americans drive less in more efficient cars. Raising the petrol tax is political poison, so Congress has hit upon a drearily predictable solution: to take the money from somewhere else. This is not new: between 2008 and 2010 Congress transferred $34.5 billion from the general fund into the Highway Trust Fund (HTF), which collects federal petrol taxes and funds transport spending.