



Practical ways to improve
US infrastructure
Economically

ASCE Report Card states:

- “When investments are made and projects move forward, the grades rise.”
- “With high ridership and greater investment in the system, the grade for rail saw the largest improvement, moving up to a C+ in 2013”

Is the amount of money spent really a sensible criterion for good investment?

Better ways to judge the quality of investment?

Willingness to pay: Are users or beneficiaries prepared to pay?

Subsidiarity: Are decisions made by those closest to the problem?

Timing: Are the more-urgently needed projects tackled earlier?

Funding: Are funds available and willingly paid?

Importance of “Subsidiarity”

- National taxpayers should not be forced to support local facilities
- “Livability” and other planning issues best dealt with locally

Plausible next steps:

- Choose investments that users are prepared to pay for
- Choose private providers to maintain infrastructure to government standards
- Remove the federal government from financing infrastructure
- Raise state fuel charges
- Develop new ways to enable road users to pay for road use

Example of projects users are prepared to pay for

- Express toll lanes with variable tolls, as in California, Minnesota and Virginia
- Road improvements paid for out of dedicated road funds, as in over 30 US states
- Privatized air traffic control, as in Canada

A green highway sign with a white border and a white bracketed base, mounted on a metal post. The sign is positioned on a bridge with a metal railing. The background is a clear blue sky.

Avoiding projects that users are not prepared to pay for

- “Road to nowhere” in Alaska
- “Big Dig” in Boston
- California’s high-speed rail project
- Dulles Airport and Honolulu transit projects

Choosing private providers

- Selection process has to be transparent
- Candidates should have proven competence
- Payment could be tied to performance

Removing federal financing of transport infrastructure

- States encouraged to overspend at the expense of other states
- Federal involvement raises costs
- Discourages private and other investment
- Is unable to raise the funds to meet its politically-desired expenditures
- Defense needs OK, paid for out of defense budget

Raising state fuel taxes

- Establish dedicated funds for specific purposes
- Increase charges to the extent agreed to by users

Establish mileage-based charges for road use (1)

- Recommended in 2009 by Congressional Commission, because fuel taxes were not producing enough revenues to satisfy politicians
- As with mobile phones, methods should enable charges to be debited to users and credited to road providers, preferably without government intervention

Establish mileage-based charges for road use (2)

- Charges should be cost-based, not political
- Charges could vary for different roads and at different times
- New methods should be tried out by road users given incentives to volunteer

Conclusion

- Adoption of these five recommendations, while difficult politically, could help infrastructure users get the facilities they are prospered to pay for:
 - At lower cost
 - More quickly
 - Better suited to their needs