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The Oberstar Transportation Plan: A Costly Exercise in Lifestyle Modification

Ronald D. Utt, Ph.D.

Note: A more detailed Heritage Foundation report on the Oberstar bill will be available shortly.

In June, Congressman James Oberstar (D–MN), chairman of the House Committee on Transportation and Infrastructure, introduced a 775-page bill—the Surface Transportation Authorization Act (STAA)—which would reauthorize the federal highway and transit programs that expired on September 30 for another six years.¹

If enacted into law, Oberstar’s STAA would mark a dramatic, harmful change in federal transportation policy by:

- Shifting resources from cars to trolleys and buses,
- Requiring a huge tax increase to fund these new commitments,
- Centralizing transportation decisions in Washington,
- Necessitating a substantial increase in the number of state, local, and federal government employees, and
- Discouraging the private sector from investing in surface transportation projects.

Higher Taxes for Social Engineering. As written, many provisions of STAA have two primary purposes:

- Deterring the use of automobiles; and
- Forcing residential and commercial development into higher density urban communities where

public transit, walking, and bicycling would be the main form of transportation.

To do this, Oberstar’s bill would encourage and require states and metropolitan planning organizations to use new land use regulations that would lead to much higher densities than Americans now prefer.

To fund these new commitments and lifestyle changes, STAA would require an additional \$150–\$200 billion in taxes over the next six years. Such an increase would be equivalent to a 112 percent increase in the federal fuel tax and an unspecified increase in other federal taxes to fund the added \$50 billion higher-speed rail scheme STAA would also create.

One of the principal reasons given for the need to enact these bills relates to greenhouse gases and the environment. But evidence on fuel efficiency and greenhouse gas emissions as they relate to different modes of travel and land use patterns reveal that the provisions of STAA would yield little or no benefit to the nation or to the environment.² Instead, both

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214 Massachusetts Avenue, NE
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(202) 546-4400 • heritage.org

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would impose great costs and inconveniences on American citizens and business.

For this reason, both bills should be withdrawn from consideration or substantially modified in way that they would benefit the nation, not harm it.

Delay Enactment of New Bill. The Obama Administration and the U.S. Senate have proposed an 18-month delay in the congressional passage of a new transportation reauthorization bill, but the request for a delay has more to do with legislative congestion and delays in developing their own “livability” program than any dissatisfaction with Oberstar’s STAA.

Indeed, Oberstar’s intention to use the federal government to engineer change in American lifestyles is consistent with similar goals embraced by Obama’s Secretary of Transportation, Ray LaHood. In recent months, LaHood has announced his intention to “coerce” Americans out of their cars³ and has defined “livability” as “being able to take your kids to school, go to work, see a doctor, drop by the grocery or post office, go out to dinner and a movie, and play with your kids in the park, all without *having* to get into your car.”⁴

Diminished Quality of Life. In enacting this or similar legislation, the U.S. would be following the sorry land use and development policies that the United Kingdom embraced in 1947 when it enacted the Town and Country Planning Act. Designed to preserve the rustic nature and charm of Britain’s countryside, the act empowered the national government to create laws and regulations to concen-

trate most housing and commercial development into existing urban centers.

As a consequence, the U.K. now has the smallest and most expensive homes of any advanced country. So severe is the problem that British politicians are now promising to change the policy and create incentives to build more and better housing.⁵

The U.S. Congress is not the only political institution in an advanced country that has failed to learn the painful lesson of Britain’s counterproductive land use experience. In late October, liberal Prime Minister Kevin Rudd of Australia announced that he wants to impose greater control of urban planning by denying infrastructure funding to states and councils that will not agree to improve public transportation and ban haphazard development. He believes that increasing density in cities is part of the solution to urban growth.⁶

As is apparent from the last several highway reauthorization bills, Congress has evidenced more interest in spending money on influential constituencies than on relieving congestion and promoting cost-effective mobility. In the case of STAA, this predilection to spend has now been joined with the goal of substantially altering lifestyles by creating regulations, subsidies, and penalties to crowd development, create higher population densities, and compel people onto public transit.

What to Do Next. In the short run, fiscal conservatives and proponents of an improved transportation program should support the President’s request for an 18-month extension, because the delay will

1. At present, the STAA exists only in draft form. A copy of the draft can be obtained at http://transportation.house.gov/Media/file/Highways/HPP/OBERST_044_xml.pdf (November 8, 2009).
2. See Randal O’Toole, testimony before the Subcommittee on Housing, Transportation and Community Development, Committee on Banking, U.S. Senate, July 7, 2009, p. 3, at <http://ti.org/O'TooleTestimony7-7-09.pdf> (November 10, 2009); Phil McKenna, “Forget Curbing Suburban Sprawl: Building Denser Cities Would Do Little to Reduce CO2 Emissions, a New NAS Report Concludes,” *MIT Technology Review*, September 3, 2009, at <http://www.technologyreview.com/energy/23343> (November 10, 2009).
3. Ronald D. Utt, “Obama Administration’s Plan to Coerce People out of Their Cars,” Heritage Foundation *WebMemo* No. 2536, July 10, 2009, at <http://www.heritage.org/Research/SmartGrowth/wm2536.cfm>.
4. Amy Phillips, “Transportation Officials Stress Importance of Administration’s Livability Initiatives,” *Daily Report for Executives*, Bureau of National Affairs, September 28, 2009 (emphasis in original).
5. Ronald D. Utt, “Will Obama’s ‘Livability’ Program Bring Britain’s ‘Hobbit Homes’ to America?,” Heritage Foundation *WebMemo* No. 2601, September 01, 2009, at <http://www.heritage.org/Research/SmartGrowth/wm2601.cfm>.
6. Matthew Franklin, “Kevin Rudd Launches Planning Takeover,” *The Australian*, October 28, 2009.

give them opportunities to expose the many flaws in Oberstar's STAA and provide a more conducive environment for a better bill as the 2010 elections may yield a more responsible Congress.

As STAA now stands, there is no reasonable way to improve it, so rather than spend the next many months negotiating the terms of surrender, fiscal

conservatives might better devote their energy to ending the federal highway program and turning it—and the right to collect the federal fuel tax revenues—back to the states.

—*Ronald D. Utt, Ph.D., is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation.*