

ISSUE BRIEF

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Eight Questions for Transportation Secretary Nominee Anthony Foxx

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If confirmed as the next Secretary of Transportation, Charlotte Mayor Anthony Foxx will have opportunities to break with the business-as-usual transportation policy that revolves around Washington and special-interest politics. It is important to the confirmation process to understand Foxx's position on existing programs and to what extent he agrees with the Administration's centrally run, command-and-control transportation policy.

Thus, at the upcoming confirmation hearing, members of the Senate Commerce, Science, and Transportation Committee should ask Foxx the following eight questions:

1. What is the appropriate federal role in transportation policy? Could Washington hand over certain activities to states or localities? The federal government currently dictates much of states' transportation policy—for instance, requiring prevailing wages under the Davis–Bacon Act¹ (which increases construction costs) and mandating that states spend a portion of their share of federal gas tax revenues on “transportation alternatives” such as bicycle

paths, sidewalks, scenic overlook construction, roadside landscaping, and preservation of historic transportation facilities, even if states have more pressing highway or bridge project needs. The next Transportation Secretary should support policy reforms that turn control over and flexibility in how highway dollars are spent to state and local officials, because they know their legitimate transportation priorities better than Washington bureaucrats do.²

2. How do you believe Highway Trust Fund revenues should be spent? What do you think the goals of the federal highway program should be? Federal highway funds should be spent on programs that improve mobility and safety and mitigate traffic congestion cost-effectively. The motorists and truckers paying the gas tax that supports the highway program should get something in return—increased highway capacity and safe roads, not local projects such as bicycle paths and trolley cars, which do not alleviate traffic congestion.

3. Do you think spending on transit is an effective use of federal taxpayer dollars? Despite receiving federal subsidies for three decades, transit has failed to relieve traffic congestion, which actually has worsened over the life of the federal transit program, evidenced by increased peak travel times in the nation's 51 metropolitan areas.³ Further, supporters overstate the economic activity, jobs, and environmental benefits produced by transit projects. Misguided federal spending on transit has diverted funding away

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from highway and bridge projects, which would more cost-effectively mitigate congestion and boost safety. Transit itself is largely concentrated in just six cities (New York, Boston, Chicago, Philadelphia, Washington, and San Francisco), making it truly a local program.⁴

4. Transportation Secretary Ray LaHood described his livability initiative as a way to “coerce people out of the cars.” Do you endorse such government intrusion into Americans’ lives?

LaHood defines 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 a park, all without having to get in your car.”⁵ To reach this goal, the Administration must herd Americans into denser urban living, deter them from using automobiles, and nudge them onto streetcars and bicycles. Yet livability by this definition embraces outdated, 20th-century modes of transportation and ignores the reality that trolley cars and bicycles would not help Americans get to work faster or make grocery shopping quicker⁶; increased safety and capacity on roads would.

5. Do you agree with the Administration’s high-speed rail vision? If so, how would you pay for it? President Obama’s fiscal year (FY) 2014 budget requests \$6.6 billion as part of a five-year, \$40 billion proposal to build and maintain

passenger rail. Obama sells it as “establishing a world-class High Speed Intercity Passenger Rail system for America,” but much of this spending would only upgrade current intercity passenger rail.⁷ If high-speed rail were financially viable, the private sector would not have passed it up in the absence of federal subsidies. Nor would the governors of Florida, New Jersey, Ohio, and Wisconsin have rejected federal funding for high-speed rail lines in their states.

6. Do you support subjecting the operation of Amtrak’s passenger rail lines to competition to lower costs and save taxpayer money?

In FY 2013, Amtrak will receive \$469 million in operating subsidies, \$958 million in capital and debt service grants, and \$118 million in Hurricane Sandy disaster relief, totaling \$1.55 billion in taxpayer-funded subsidies. Congress should do to Amtrak what the Virginia Railway Express, the Massachusetts Bay Transportation Authority, and the Maryland Area Rail Commuter did: open operation of the rail lines to competitive bidding. In all three cases, the winning bids were dramatically lower than Amtrak’s bids.⁸

7. Do you support federal “stimulus,” such as the \$50 billion in immediate infrastructure “investments” included in President Obama’s budget? “Immediate” does not describe the projects funded by the 2009

1. James Sherk, “Why the Davis-Bacon Act Should Be Repealed,” Heritage Foundation *WebMemo* No. 3451, January 12, 2012, <http://www.heritage.org/research/reports/2012/01/why-the-davis-bacon-act-should-be-repealed>.

2. See Emily Goff, “Transportation and Infrastructure Policy: More State and Less Federal Control,” Heritage Foundation *Issue Brief* No. 3875, March 13, 2013, <http://www.heritage.org/research/reports/2013/03/transportation-and-infrastructure-policy-more-state-and-less-federal-control>.

3. Wendell Cox, “Transit Policy in an Era of the Shrinking Federal Dollar,” Heritage Foundation *Background* No. 2763, January 31, 2013, <http://www.heritage.org/research/reports/2013/01/transit-policy-in-an-era-of-the-shrinking-federal-dollar>.

4. *Ibid.*

5. Ronald D. Utt, “Obama Administration’s Plan to Coerce People out of Their Cars,” Heritage Foundation *WebMemo* No. 2536, July 10, 2009, http://www.heritage.org/research/reports/2009/07/obama-administrations-plan-to-coerce-people-out-of-their-cars#_ftn2.

6. *Ibid.*

7. U.S. Department of Transportation, “Fiscal Year 2014 Budget Highlights,” April 2013, <http://www.dot.gov/sites/dot.dev/files/docs/FY%202014%20Budget%20Highlights.pdf> (accessed May 15, 2013).

8. Ronald D. Utt, “Chairman Mica’s New Amtrak Proposal Would Use the Private Sector to Reform Passenger Rail,” Heritage Foundation *WebMemo* No. 3290, June 13, 2011, <http://www.heritage.org/research/reports/2011/06/amtrak-privatization-proposal-to-reform-passenger-rail-service>.

stimulus bill, which even the President admitted that were not so shovel-ready.⁹ Stimulus does not generate job growth in the aggregate, but it does require Washington to spend money it does not have by borrowing, which removes money from the more efficient private sector.

- 8. Should the federal government create a national infrastructure bank?** President Obama and some lawmakers have proposed creating a national infrastructure bank to finance capital-intensive transportation projects, and they have justified it with promises of jobs and economic growth. Banks give out loans, which are repaid, but this bank would also award grants, which are not. Thus, it would not be a true bank, but it would duplicate existing loan and grant programs. This government-run entity would further concentrate transportation decisions in

Washington and reduce state flexibility and control.¹⁰ Congress would also have to rely on deficit spending to finance the bank, which the country cannot afford. The government should not be in the banking business, because it would transfer more risk to taxpayers and encourage cronyism.

Needed: Fiscal Responsibility and a States-Oriented Perspective. If confirmed, Foxx could not reverse course overnight, but he could advocate policies and programs that scale back the federal role in transportation policy in favor of greater state flexibility and control, thus increasing accountability and freeing the states to meet their unique transportation needs.

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9. Kendra Marr, "'Shovel Ready' Jobs Could Take Time," *Politico*, September 26, 2011, http://www.politico.com/news/stories/0911/64454_Page2.html (accessed May 17, 2013).

10. Ronald D. Utt, "Infrastructure Bank Proposals Would Concentrate Transportation Policy in Washington," Heritage Foundation *WebMemo* No. 3235, April 26, 2011, <http://www.heritage.org/research/reports/2011/04/infrastructure-bank-proposals-and-transportation-policy>.