



Metropolitan Policy Program at BROOKINGS

The new Brookings paper on infrastructure is available at:

http://www.brookings.edu/papers/2011/0222_infrastructure_puentes.aspx.

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“BROKE AND BROKEN”—AMERICA’S TRANSPORTATION SYSTEM CAN’T WIN THE FUTURE

*New Brookings report says states must leverage investment, exercise market discipline,
and create modern programs if system is going to be ready for the future economy*

WASHINGTON, D.C.—Few things are more critical to America’s long-term economic health than transportation, but a new paper from the Brookings Institution Metropolitan Policy Program describes the current system as hobbled by diminishing resources and poor policymaking.

“The current system is both broke and broken,” said Senior Fellow Robert Puentes, author of the new paper, *State Transportation Reform: Cut to Invest in Transportation to Deliver the Next Economy*. “We need new strategies to rebuild our aging infrastructure into a system that can help us compete, and those strategies are going to be created at the state and metro level.”

As the next economy is being created, Puentes said, fast, efficient transportation networks will be essential to growth, job creation, and sustainability. Currently, this sector provides jobs for more than 4 million Americans, and in most states it represents a significant share of states’ budgets. Yet it is still sadly out-dated, the process for allocating resources is more like spreading peanut butter evenly across the state, than making strategic, targeted investments.

“The next economy will be oriented towards exports, powered by low-carbon, driven by innovation, and it will be rich in opportunities” Puentes said. “An export economy requires revolutionizing our ports. A low-carbon economy requires we remake a transportation system dependent on fossil fuels. An innovation economy requires leaps in technology. And if we are to provide opportunities, our system must allow people to access jobs.”

Most of America’s economic competitors, he said, have already taken the necessary steps to make sure they can move people and goods more quickly than we can. This is all taking place as we retreat from making necessary investments.

“Demands on the system are steadily increasing, even as our roads and bridges are deteriorating, and our funding, largely tied to gasoline taxes, is shrinking,” Puentes said. “Twenty-one states saw transportation funding cuts in 2010, and 11 states expected cuts for the next fiscal year.”

Puentes’ paper makes three recommendations for a new state-level approach to transportation infrastructure:

- **Use transportation dollars to leverage other investments and make the most of the strengths of their metropolitan areas.** For example, states should have better coordination across agencies, more synchronization between transportation, development, and land-use policies, and should employ a “fix-it-first” strategy to invest in existing infrastructure.
- **Employ market discipline to find savings and new revenue sources.** This should include comprehensive audits of transportation programs, a fresh look at the user-fee system, and even public referenda on tax increases to fund transportation.
- **Create new public-private institutions.** For example, develop infrastructure banks built on a merit-based system for funding projects.

“Recent dustups between governors and the administration over funding of high-speed rail projects make it clear state leadership is still in the driver’s seat when it comes to transportation decision-making and project selection,” Puentes said. “That’s why it’s so important for states to take the lead in developing a modern transportation system that is essential to creating a sustainable economy.”

The new paper is the latest release in the Project on State and Metropolitan Innovation, which analyzes state policy challenges and offers effective strategies for policymakers to help states and metros recover from the recession and transform their economies.

About the Metropolitan Policy Program at Brookings—Created in 1996, the Metropolitan Policy Program (MPP) provides decision-makers with cutting-edge research and policy ideas for improving the health and prosperity of metropolitan areas, including their component cities, suburbs, and rural areas. To learn more, please visit: www.brookings.edu/metro

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