

Infrastructure, the Economy: Hello! — They're Linked!

For Release Sunday, October 5, 2008
Citiwire.net

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Lost in the election scramble, bank rescues and heated debate over government bailouts is the simple fact that American needs to rebuild its wealth — we're busted.

The national debt grows to over \$9.8 trillion and climbs rapidly while the current \$407 billion federal deficit has nowhere to go but up as the federal government grapples with a teetering national economy. The next president will struggle to recapitalize the country while hundreds of billions of dollars go each year just to service our prodigious national debt. For all the belt-tightening talk, eliminating \$16.5 billion in annual earmark expenditures would make only a minor dent in the huge federal deficit.

So what do we do — when our Treasury registers empty and we confront so many other challenges?

In the first presidential debate, both candidates conveniently sidestepped the hard choices they will face. John McCain suggested a possible spending freeze and Barack Obama admitted some of his big ticket plans may need to be shelved for at least a while. At least, Obama made passing reference to rebuilding the country's increasingly dated and inadequate infrastructure as an important priority.

In fact, a retooled national infrastructure will be an essential part of the solution to maintaining our economic clout and future prosperity, while providing the needed stimulus of a near-term jobs engine.

The challenges are huge: Our once-vaunted interstate system is overwhelmed by traffic around major gateway cities and along truck corridors. Our metro regions lack public transit systems robust enough to tame oil consumption and sustain future growth. The nation has literally zero high-speed rail lines and may need four or more major new airports. Major East and West coastal ports have turned into huge bottlenecks and our national freight shipping network needs radical upgrading. Chronic traffic jams, lost time, higher driving and logistics costs can only get worse as the U.S. population expands by an expected 100 million people between now and 2040.

We've responded before. In the 19th Century, the federal government jump-started commercial growth with canals and then the transcontinental railway. Early in the 20th Century we underwrote development of an electric grid to trigger a new industrial era. Post-World War II interstate construction and airport building enabled explosive national and metropolitan development.

Now we need a new generation of infrastructure building, led by the new president and Congress. And our approach needs to be truly strategic. We need to link critical goals — on the one hand, enhanced mobility and efficiency that enable us to compete with more advanced European and Asian networks, and on the other, reduced oil dependency and a "green," lighter environmental footprint that matches the carbon-reducing demands of the times.

What are the cornerstones that can form a successful, wealth-producing, energy-efficient strategy?

- Use federal funds to Integrate systems and modes. Set federal funding guidelines to force states and regions to integrate their highway, mass transit, rail and airport planning, combined with local initiatives to reduce car dependency. We need smart, multi-modal, inter-regional solutions — no more single-shot "Roads to Nowhere." The huge government deficits we face make the case for strong federal incentives — perhaps a national infrastructure "czar" to insist on integrated, economical approaches — all the more compelling.

- Promote continental connections that keep people and goods flowing. For example, world-class connections of the nation's coastal economic gateways must be tied efficiently to primary interior cities and transport hubs such as Atlanta, Dallas and Chicago.

- For our major metros to prosper, insist that rail, light rail and subway systems efficiently link suburban development hubs to center cities, intercity rail stations and airports. High-speed rail lines should link cities within major multi-state regions, offering alternatives to air and car travel. More vertical, high-rise residential developments should be encouraged around rail and transit stops.

- Make users pay. Interstates and highways must be tolled not only to pay for new infrastructure, but also to provide incentives for people to find more efficient means of travel and cost-effective places to live and work. Freeways have subsidized car travel and trucking as well as encouraged sprawl by not charging drivers and developers for the cost of building and maintaining these road systems. Fully loaded driving costs and transit alternatives would encourage people to drive less. "Drill, drill, drill" is no answer when vehicles clog expansive arterials into primary metro destinations.

This new infrastructure model won't come cheap. But an Urban Land Institute report estimates that more than 5 million jobs would be created if the U.S. invested the full \$1.6 trillion needed over the next five years just to meet current infrastructure needs. A government commission has asserted we need at least \$100 billion in additional yearly outlays to bring our roads, rails and airports into the 21st century.

The principle's simply: to pay our existing bills, we need a growing economy. Infrastructure's a lead way to do that.

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