

## PERSPECTIVES FROM THE FIELD

### Transportation Judo: Limited Resources for Investment Can Mean Recognition of Link to Climate Change

Joshua Schank

The relationship between transportation and climate change seems so obvious that it can be surprising to learn that federal policy on these two issues is completely separate and that few elected officials are even aware of the overlap. While President Obama made energy and climate change a focal point of his campaign, and then tried unsuccessfully to pass cap-and-trade climate legislation, he has not yet made the case that energy and climate should be important considerations in our future surface transportation policy. And even though Senate Committee on Environment and Public Works oversees not only climate but also highway funding, there has been little attempt so far by that committee to connect the two issues.

Transportation contributes about 30% of our nation's carbon total emissions and consumes about 70% of the oil we use. The federal government spends approximately \$55 billion per year on surface transportation, and yet the impact of that expenditure on climate change is not measured or evaluated. We have no idea whether we are building transportation infrastructure that will help reduce carbon emissions. But it's a good bet that we are not.

Federal surface transportation policy is borne out of the construction of the interstate highway system and is oriented towards mode-specific capital construction. We each pay a federal fuel tax of 18.4 cents per gallon, all of which (save 0.1 cent) goes into the Highway Trust Fund (HTF), and

this fund is then sent back to states via more than 100 federal programs administered by the United States Department of Transportation. The vast majority of those funds are spent on highways, with approximately 18% devoted to public transit.

The federal transportation reform movement has been advocating for accountability for these funds. We want to know how these federal investments are affecting greenhouse gas emissions and fuel consumption, as well their economic and safety impacts. There is widespread agreement that this is a good idea, but, unfortunately, there is no clear path to getting there.

The problem is one of resources. Revenues from the federal fuel tax are inadequate to support current expenditures. Part of this is Congress's fault, as they knowingly authorized more expenditure than expected revenue and have not increased the fuel tax. But part of it is that a down economy has people driving less, and people are driving more fuel-efficient vehicles, which has led to lower gas tax revenues.

Inadequate revenues have meant no new transportation bill and an inability to begin accounting for the effect of our transportation investments on carbon. The transportation community, understanding the urgency of the need for greater investment, is understandably upset about the lack of action on this front. We are beginning to think about how we would prioritize investments if available funds remain stagnant or continue to decline.

Unfortunately, there is a danger that a smaller investment level might lead Congress to completely ignore the issues of transportation reform, including the relevance of carbon emissions and energy consumption. There has been some discussion of using existing revenues to fund the preservation of the interstate alone and allowing other needs to be funded through other means, because the interstate is perceived to be of the greatest national interest. This

could leave public transit and other programs scraping for their share of general revenues while the federal program moves to an even greater focus on highways.

But there is an argument to be made that, especially if one of your national goals is reducing carbon, there are probably important national interests in transportation that are greater than or equal to the preservation of the interstate system. For example, some components of the interstate system may have low traffic volumes and reasonable transportation alternatives, such as a parallel road. Meanwhile, portions of highways off the interstate may be choked with traffic of very high value that is, as a result of congestion, emitting way more carbon than necessary. In such cases, pricing that congestion and building an alternative to that highway as well as improved information systems, might reduce traffic and carbon emissions simultaneously. But such investments would not be possible or encouraged if we limited funds to interstates, and we cannot be aware of the potential benefits of such investments until we begin to measure and incentivize them.

Instead of punting on reform because of limited resources, transportation should borrow a move from judo and flip the problem to make it an opportunity. Limited resources mean that more than ever we need to account for the benefits and costs of our transportation investments. We cannot afford to be wasteful and must ensure that all of our federal dollars are used in a way that maximizes national benefits per dollar spent. This means, at a minimum, articulating national goals and prioritizing investments on the basis of how well they meet the goals.

It also means throwing away any concept that one mode is superior to another in all circumstances and focusing on outcomes instead. The interstate will likely be a place where investments generate strong national benefits, but so will other roadways, major transit systems, and maybe even

charging stations for electric vehicles. The federal government needs to begin thinking about transportation comprehensively as a system of capital and operating investments, pricing mechanisms, and policy changes that produces outcomes. Once we start thinking that way, and measuring those outcomes, we will not only see smarter investments, but we will inevitably and in-

extricably link transportation investment decisions to climate change considerations. And that is a necessary prerequisite for dealing effectively with carbon.

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*Affiliation of author:* Joshua Schank, President and CEO, Eno Transportation Foundation, Washington, DC.

*Address correspondence to:* Joshua Schank, President and CEO, Eno Transportation Foundation, 1250 I St. NW Suite 750, Washington, DC 20005; (phone) 202-879-4711; (fax) 202-879-4719; (email) jschank@enotrans.com