

BACON'S REBELLION

The Op/Ed Page for Virginia's New Economy

Driving Around in Circles

Virginia's transportation system is bad and getting worse. Clueless on how to fix it, Virginia's political leadership is like the guy who's totally lost and refuses to ask for directions.

By James A. Bacon

My first reaction upon reading that Gov. Mark R. Warner had proposed doling out an extra \$824 million for transportation funding was to throw up my hands and beg, "Please don't shoot." I felt like I was being robbed. Instead of giving the surplus generated by this year's unneeded tax increases back to taxpayers, the Governor wanted to use much of it to fund construction of road and transit projects that, in the long run, would benefit no one but a handful of big developers and contractors.

Upon closer examination of his proposal, I wasn't quite as upset. Sure, the Governor's transportation package represented Business As Usual, a continuation of the mindset and policies that have wrecked Virginia's transportation system over the decades. But at least it was *fiscally responsible* Business As Usual--an improvement over the reckless policies of the previous administration.

Politically, the Governor has

staked out a position smack dab in the center. He threw an \$824 million bone to the business lobbies, drawing mainly upon the fiscal 2005 surplus and other one-time revenue sources. By avoiding



a tax increase, however, the plan does appease the anti-tax crowd and the environmentalists who, for quite different reasons, oppose a tax-spend-build transportation strategy. Posting himself at the fulcrum of the political balance of power, Warner stands a very good chance of getting his way.

Sadly, the Governor missed an opportunity to overhaul Virginia's transportation system in the same dramatic fashion that he has pushed re-engineering of the state government bureaucracy. In a press release outlining the key points in his proposed legislative package, Warner never questioned that building more road and transit projects is what Virginia *ought* to do if only it could afford to. Not one word ac-

knowledged that any long-term solution to traffic congestion in Virginia requires not only increasing the capacity of the transportation system but also addressing the sky-rocketing *demand* for new capacity as reflected by the ever-increasing number of miles motorists drive every year.

I was doubly disappointed because, over the past several months, Secretary of Transportation Whitt Clement and Virginia Department of Transportation Commissioner Philip Shucet had made promising noises about transportation policy. Both gentlemen have stated publicly that Virginia cannot address traffic congestion without also correcting the scattered, low-density pattern of development that compels people to take more automobile trips and drive ever greater distances. Although both officials believe the transportation system requires more funds, they also have argued that spending the money wisely requires a meaningful connection between transportation planning on the state level and land use planning on the local level.

There is no evidence, however, that these insights have penetrated the Governor's Office. The proposed funding package doesn't give even a token nod in the di-

rection of land use reform, telework or other demand-side transportation strategies, Nor, for that matter, does the plan invest in what Shucet refers to as "operational" efficiency--using traffic light sequencing, for instance, to move cars more efficiently through the existing network of roads and streets. (See Shucet's observations in "Silicon for Asphalt," Bacon's Rebellion, September 20, 2004.)

"Our Transportation Partnership Act of 2005 is not business-as-usual," Warner proclaimed in announcing the initiative. His plan does put transportation funding on a more fiscally sound footing by returning to a pay-as-you-go system rather than borrowing against future revenues. Otherwise, the document *is* very much Business As Usual, emblematic of the simplistic notion that if roads are congested, we must build more roads.

I must hasten to add that Mark Warner has no monopoly on myopia. If anything, senior members of the state senate are even blinder to reality. Where Warner would mainly wash the current state surplus down the storm drain, Senate Finance Chair John Chichester, R-Fredericksburg, would happily enact permanently higher taxes so we could waste an extra billion dollars *year after year*. Attorney General candidate Steven Baril, seemingly a sensible person otherwise, has called for a "Marshall Plan" that

would involve *borrowing* billions to flush away, obligating future generations. As for the anti-tax forces in the House of Delegates, they come across as muddled and confused on transportation. If anyone in the House has developed a coherent alternative to tax-spend-build, I haven't seen it.

Right now, Gov. Warner is the only person with a concrete proposal on the table--The Transportation Partnership Act of 2005--so let's take a look.

First, the Governor advocates "cleaning the slate" from past deficit spending practices. The Gilmore administration had figured out how to accelerate road funding by borrowing against anticipated transportation revenues from the federal government. It was a departure from Virginia's fiscally conservative pay-as-you-go policy and Warner is quite correct to end it. The Governor's transportation package will devote \$256 million to eliminating deficits on projects completed as of July 1, 2004.

"Cleaning up the books isn't just the right thing to do from some abstract, accounting point of view," Warner stated. "By paying off debts, we hasten the day when new projects can move from the drawing board to construction to actual completion."

OK, I'll buy that. I am totally opposed to pumping *more* money into the state's dysfunctional transportation sys-

tem, but that doesn't mean I favor draining the limited, overcommitted revenue sources that we do have.

Second, Warner proposes adding \$147 million in funding for projects in Virginia's six-year program. Says the press release: "This new revenue is the result of sustainable, long-term revenue growth, and the Commonwealth Transportation Board will use the existing transportation allocation formula to distribute these funds to ports, airports, transit providers, and highways by July 2005."

Warner's press release is not clear where that \$147 million comes from. If it originates from the organic growth in existing transportation revenue streams, as the document implies, then I have no problem with it. If I am correct, this money does not represent a new obligation to the state. Indeed, it's little more than a sop to the developer/road builder lobby and an effort to spin this transportation package into something bigger than it really is.

Third, the Governor proposes creating a \$140 million revolving loan fund to encourage private firms to invest their resources in public-private partnerships. I was long a big fan of public-private partnerships--until the darn things started started running into trouble. The privately financed Dulles Greenway went belly up, and the state had to take it over. The Rt. 28 tax district near

Dulles Airport has been a fiasco for years. And now the toll-driven Pocahontas Parkway project, which completes the circumferential highway around Richmond, is in danger of default. Once again, the press release is not clear where this money would come from either. As always, I hew to the position, not one dime more for transportation funding without fundamental reform.

Fourth, there's another \$103 million for rail and transportation partnerships. I don't know enough about the projects Warner has in mind to say whether they're sound or not. But I maintain a perennial attitude of suspicion. A lot of people like railroads, buses and light rail simply because they get people out of automobiles. But I'm not a rail romantic. To my way of thinking, a stupid, money-losing investment in mass transit makes no more sense than a stupid, money-losing expansion of the road network. Mass transit requires an urban configuration of land uses--more compact development, pedestrian-friendly environments, and tighter integration of work, office, shopping and other activities--to be economically viable. Subsidizing transit in places like Fairfax County, given the current pattern of development around METRO stops, will simply create a long-term drain on the treasury.

The Governor rounds out his package with \$80 million to "strengthen local partner-

ships" and \$97.4 million to maintain "Virginia's highways, bridges and neighborhood streets." Sorry, but that sounds like pork to me. Let me know what the projects are, and whose legislative districts they reside in, and I'll tell you if this is a good way to spend transportation dollars.

As justification for entrusting VDOT with close to \$1 billion in extra money, Warner cites the department's improved performance over the past three years. VDOT has eliminated 1,000 positions and saved \$50 million in payroll. It's also developed business tools to measure and manage projects, bringing in a higher percentage of them on time and on budget. That's all very true, and the Warner administration deserves credit for bringing VDOT back from the brink of managerial chaos.

Further, I'm all in favor of cycling that \$50 million in annual savings back into transportation spending. Revenue sources enacted with the promise that they would be dedicated to transportation, like the gas tax, should, in fact, be dedicated to transportation and not siphoned away to pay for other programs. Conversely, non-transportation revenues should not be siphoned away to pay for transportation. But, according to coverage in the *Richmond Times-Dispatch*, 40 percent of the spending contemplated in Warner's proposal, or \$374 million, will come from this

year's General Fund surplus.

Now, let's talk about what the Warner transportation package does *not* do.

The package never acknowledges the underlying reason why Virginia faces a transportation crisis today. The crisis stems not from a lack of money but the fact that Virginians have been increasing their driving faster than the state can add new roads and transit capacity.

And why are Virginians driving so much more? Because state and local policies have combined to create a built environment in our suburbs that makes it impossible to participate in normal, everyday life without an automobile. Because it is all but impossible across most of Virginia to reach any meaningful destination by foot, bike, bus or METRO. Because every person over 16 must have his or her own car or live like a hermit in an isolated cul de sac. Because we have separated different land uses--where we live, work, shop, attend school, go to church, etc.--by such large distances, we must drive farther and farther to get anywhere.

There is nothing controversial about these observations. Everyone involved in local government, development and road building knows it. The only thing that's controversial is when a public official utters this truth out loud.

Until we achieve Fundamental Change in our scattered, haphazard, pedestrian-toxic patterns of development, no amount of funding, no number of highway projects and no amount of mass transit, will relieve traffic congestion for an appreciable length of time. Indeed, there is an ample body of theory and evidence to suggest that roads create their own demand by lowering the cost for households and businesses to scatter their locations over ever greater land masses. Without Fundamental Change, spending more money on transportation projects does little to improve mobility and access. It only postpones the inevitable reckoning--at considerable cost to taxpayers.

Admittedly, achieving Fundamental Change--repairing the dysfunctional pattern of land use that characterizes 80 percent of our built environment--will be a complex and drawn-out process. Even if the political will existed, it would take decades. To help us cope before we gag on the exhaust of our traffic-stalled cars, there are a variety of ameliorative strategies we could pursue. They include:

- **Increase the carrying capacity of existing roads** through operational improvements such as regulating the flow of cars entering a freeway or synchronizing stop lights along major corridors.
- **Manage transportation demand** by encour-

aging people to share rides, lease flex cars, use less congested routes or schedule their trips outside rush hour.

- **Promote telework, office hoteling and the "network of space"**.

(For those unfamiliar with the concept of the "network of space," see Bacon's Rebellion. "The Network of Space," July 12, 2004.)

Unless there are details omitted by the press release, the proposed Warner transportation package allocates no new money to increase operational efficiencies, it does nothing to manage transportation demand, and it is oblivious to the potential of telework. It's all about finding more money to build, build, build.

The political class, as I observed last week (See "The Triumph of the Political Class," November 29, 2004), dominates the public discourse on transportation policy. Political reporters, understanding nothing of transportation or land use, have failed utterly and completely to explicate the real issues.

With one or two exceptions, editorial pundits across Virginia remain obsessed with irrelevant partisan distinctions--Republican vs. Democrat, liberal vs. conservative--and have evinced not the slightest understanding of transportation dynamics. The business lobby, once a foe of higher taxes, has bought the line of its developer/

construction/financier faction, partly out of misguided loyalty to fellow businessmen perhaps, or, more likely, out of a desperate need to do *something*.

In sum, Virginia's political, business and civic elites suffer from a calamitous failure of imagination and collapse of critical faculties. Driving aimlessly with no clear idea of where they're going or how to get there, our lawmakers are making up policy as they go along. It is up to us, the citizens, to give them a sense of direction.

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