

No Free Ride in Transportation

By Richard L. Beadles

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One hundred miles separates the 112th Congress, just installed, and the Virginia Legislature, which convened yesterday in Richmond. Both face a terrible dilemma. How to do "*the peoples' business*" yet avoid public displeasure at the shock of learning that there is no free ride -- or haul -- in transportation. We have deluded ourselves for so long that the truth seems politically intolerable. Were it not so critical to the future of our country and of our state, it might be entertaining to watch survival politics at work.

Of late, it has become the habit of some to cite President Obama's high speed rail program as a wasteful boondoggle. In fact, newly-elected governors in several states have told the feds they don't want already-approved federal funding grants for HSR. While we would not attempt to justify every proposed HSR project in America, the truth is that passenger rail is fundamentally not that different from any other kind of transportation in the U.S. None of the modes, NONE of them, not even freight rail, are sustainable over the long term as free-standing, financially-self-sufficient, enterprises under existing U. S. transportation policies and practices. They all require, or will require, to varying degrees, public financial support, through the tax code or otherwise.

The greatest myth of all is that highways are fully funded by gas taxes, and other related fees and charges. The average citizen is likely unaware that over \$30 billion of federal funding, from general taxpayer revenues, has been diverted to the so-called highway trust fund over the past few years just to keep that account from going broke. In Virginia the only real source of transportation revenue growth comes from the half-of-one percent on the sales tax, which dates back to 1986. All sources fall short of needs.

Commercial aviation -- one of the most favored modes of transportation when it comes to public policy and funding -- has enjoyed a slight reprieve recently due to economically-depressed fuel costs, but the industry is now once again facing the reality of escalating jet fuel expense, which in turn is going to put the squeeze on operations. Richmond recently lost some Jet Blue flights to New York. Since the first of the year, Delta pulled out of Lynchburg. This is likely to be just the beginning of service losses.

Back in the "dark ages", the writer's first-grade teacher used to travel from Richmond to the Eastern Shore via VEPCO streetcar, C&O passenger train to Old Point Comfort, PRR ferry to Cape Charles, and finally via PRR passenger train to her parents' home. All of these entities were then privately-capitalized, tax-paying corporate citizens of the Commonwealth. None of them required an annual appropriation from the Legislature. Granted, nobody would want to travel in that manner today, but it worked.

Responding to the desires of their constituents, politicians of yesteryear replaced the old system with the current, more convenient, "public-trough" model. Now the challenge will be to break the bad news to the voters, and gain their support to fix it. Best of luck to the folks in Capitol Square, and to those on "The HILL" in D.C.

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