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New infrastructure spending demands new thinking, oversight

By Stateline Staff

Much has been made of the need for infrastructural investment in the states to stimulate the economy.

Traditionally, economists advise against large-scale infrastructure investments because they take too long to inject increased spending into the system. But this recession is likely to be so long and deep that long-term investments will play an important role in getting us to the other side of this mess.

The states and the feds have a huge backlog of things they need to build and repair, from schools and bridges to airports and mass-transit systems. Recent years have highlighted the costs of not tending to infrastructure. The collapse of New Orleans' levees in the wake of Hurricane Katrina was the main reason for the flooding of the city. The collapse of the bridge over the Mississippi River in Minneapolis on Aug. 1, 2007, was a deadly reminder of the full costs of delaying repairs and maintenance.

We are in a crisis. But it is useful to recall that the Chinese word for crisis consists of two letters: One signifies danger, the other opportunity. This crisis affords us an opportunity to both stimulate the economy and tend to our much-needed infrastructure backlog. And many of these jobs cannot be outsourced. The work is done in this country, adding to effective demand and providing a basis for sustained growth.

There are two potential hazards associated with large-scale infrastructural investments. The first is that the money will be allocated in the usual pork-barrel fashion with powerful U.S. House and Senate committee personnel steering funds to their districts and states irrespective of the benefits.

In order to short-circuit the possibilities of future bridges to nowhere, we need a bipartisan commission that evaluates objectively the cost and benefit of major infrastructural investment. We already have a model that works. The recommendations of the Defense Base Closure and Realignment Commission (BRAC) cannot be cherry-picked by members of Congress. The recommendations are voted up or down in a block so that individual members cannot influence the fate of individual bases. A similar procedure for a National Infrastructure Commission is essential to reducing wasteful spending.

A second potential problem is that, just like with wars, we tend to fight the next one with the strategies of the last one. We must avoid building new infrastructure geared towards the needs of the last economic growth wave.

A National Commission on Infrastructure would need a mandate to build for the future, not just for the short term and the present. The interstate system was perfect for the car age coming into its own in the 1950s. What we need now is infrastructure that promotes smart growth and long-term sustainable economic growth. Building more bridges or motorways just because that is what we always have done is to build for the 1950s, not the 2050s. New and improved infrastructure should be directed toward more creative use of mass-transit systems, refurbishing our aged inner cities and inner suburbs and improving citizens' lives, and laying the basis for a greener economy.

We are in a crisis. From the nation's last great crisis we created the New Deal. We need a New 'New Deal,' one that appropriately funds and fairly distributes infrastructure projects to states that lay the foundation for a smarter, greener, more competitive economy. We need a Metro Green Deal for a new infrastructure commission that allocates investments so that we can link public and private, city and suburb, rich and the poor in an America of and for the future.