



# ***TRANSPORTATION “INVESTMENTS” Roadmap to Economic Recovery***

By FBT President Doug Callaway  
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*“Even if you’re on the right track,  
you’ll get run over if you just sit there.”  
-Will Rogers*

Today’s headlines are filled with worrisome stories about corporate failures on Wall Street, declining state revenues in Tallahassee, and difficult financial times for far too many Florida families. With our economic condition continuing to worsen, now is the time to take swift, dramatic, and meaningful action to “Move Florida Forward” – both economically and from a transportation standpoint.

This is exactly what the people of Florida want right now from their government. They know they’re stuck in traffic every day, and they feel the same frustration about their personal economic situation – STUCK. Understandably, they wonder why we can’t do better both economically and transportation-wise.

Fortunately, we CAN do better. We already know what to do to Move Florida Forward – we simply need bold leadership to take action NOW! “Investing” in transportation projects – with a \$5.50 return for every \$1 spent – is a responsible, tried and true way to help our economy, improve our quality of life, and position Florida for greater prosperity as we recover from the current economic downturn.

And, quite frankly, now’s the perfect time to do this badly-needed transportation work because with the economy being slow, we can get work done for bargain basement prices while also stimulating the economy in the process.

## How We Get There From Here

Different from other challenges facing us, in transportation we know what the solution is – more dollars to start making up for years of chronic under-funding, and a better focus on responding to the main transportation issue people care about most - easing traffic congestion. Here’s a transportation & economic “roadmap” of what needs to be done.

1.) **Temporarily suspend the normal bureaucratic rules** and requirements that slows transportation construction and rehabilitation work.

After a natural disaster, federal and state governments frequently issue an Emergency Declaration and for a time discontinue “business as usual” in order to make needed repairs as quickly as possible. Look at the expedited work to repair the I-10 Pensacola Bay Bridge damaged by a hurricane.

When Florida is facing a virtual state of *economic* emergency today, we can and must move much quicker to put currently planned transportation “investments” to work! For every one dollar invested in transportation, Florida’s economy enjoys a return of \$5.50-\$7.00 (depending on the project), and people are put to work doing meaningful work for the benefit their state and themselves.

It’s time for Florida’s Leaders to demonstrate a true sense of “urgency” and act accordingly. Waiving the normal governmental red-tape associated with transportation projects today will get Florida going again faster tomorrow.

2.) **Do “Ready-to-Go” Transportation Projects** already planned for as an immediate Economic Stimulus with non-recurring dollars.

A 2006 amendment to Florida’s Constitution limits how many one-time dollars (non-recurring) can be spent on routine, year-to-year government expenses (recurring). Therefore, “non-recurring” dollars that formerly would’ve been used to fill budgetary holes each year can now only be used for one-time expenditures – like TRANSPORTATION. These “non-recurring” funds should be invested immediately in “ready-to-go” transportation projects.

Over the past 3 years, due to construction cost increases (2 & 3 years ago) and reduced gas tax receipts (last year), Florida DOT has deferred:

- 268 projects statewide
- at a total cost of \$5.7 billion.

Knowing that these “ready-to-go” projects yield a \$7 economic return for every \$1 invested, imagine how much better Florida’s economy would be today had these projects been done as planned – about \$40 billion better!

Florida DOT already has hundreds of projects – just “ready-to-go” – that were in their Five Year Work Program in the past. And again, by doing them now – when costs have dropped significantly and there’s much more competition for every project – the State of Florida can get projects done sooner and for a much lower price than originally planned!

3.) **Convene a Special Legislative Session to Stimulate Florida’s Economy** after the November Election.

Having a Session on the Budget focused entirely on funding cuts simply won’t be enough to get Florida moving forward. In addition to reducing spending where

appropriate, Florida's Leaders also need to make targeted investments in areas – like TRANSPORTATION – that will actually help stimulate our economy and get Florida going again quickly. This won't be easy, but in government – as in business – folks must remember that “success” comes before “work” only in the dictionary!

Far from any sort of New Deal “make work” program, additional dollars for transportation improvements will go directly to the private sector and help provide a legitimate boost to our ailing economy, while also preparing Florida to be more competitive in the global marketplace. These sorts of transportation-based, economic stimulus activities have been receiving positive endorsements from economists and fiscal conservatives all across the country.

No less a legendary fiscal conservative than Ronald Reagan clearly understood this concept. On November 27, 1982, as he increased the federal gas tax 5 cents, President Reagan said,

*“More efficient roads mean lower transportation costs  
for the many products and goods that  
make our abundant way of life possible.  
The cost to the average motorist will be small  
but the benefit to our transportation system will be immense.”*

Ronald Reagan loved cutting taxes, but he raised the federal highway user fee – the gas tax – to strengthen America's economy ... during an economic downturn. He proved tax cuts can spur our economy, but he also knew that investments in our highway and public transportation systems is essential.

The Statutory Recommendations for Additional Transportation Revenue (#36) made by the Taxation and Budget Reform Commission (TBRC) to the Florida Legislature this past spring could serve as a starting place for debate. These small, modest, broad-based TBRC transportation “user fee” adjustments will generate an additional \$600 million in the first year alone, and \$2 billion more per year after ten years. To give our economy a shot in the arm now, these common sense TBRC transportation funding ideas – or something even better – should be enacted before the end of the year.

On a cautionary note, without the additional transportation revenues called for, the expedited work suggested in items 1 & 2 above will inevitably result in a transportation funding “CASH Crunch” like we had in 1989.

4.) **Bring a New Focus to go with the New Funding** that elevates “reducing congestion” to one of Florida DOT's top priorities.

To ensure that we don't end up with any "Bridges to Nowhere," Florida's Leaders should bring a new focus to go with the new funding that elevates “reducing

congestion” to one of FDOT’s top priorities. A new emphasis on “Congestion Reduction” will ensure that valuable and limited transportation funds are used for projects that actually *reduce* congestion – and meet the people’s demand for relief from growing traffic congestion.

The Florida Chamber’s New Cornerstone *Revisited* report (December 2007) indicated that:

- A.) Florida does a great job of maintaining our existing highway system ... but
- B.) has little money left for ADDING badly-needed new capacity!

Additional financial resources and a clear commitment to reducing congestion – after meeting essential safety requirements – is needed, and would likely shift investment decisions.

- The reduction of congestion should be a primary goal.
- Aggressively addressing congestion will require adding new highway lanes.
- A commitment from the Governor, the Legislature, and the Florida Department of Transportation to reducing congestions is essential.
- That commitment must be supported with goals and milestones that can be tracked.
- Transportation investments – highways and transit alike – should be measured based on how many hours of delay can be reduced for each million dollars invested.

#### Don’t Manage Change – Create It!

*“The talk you hear about adapting to change is not only stupid, it’s dangerous. The only way you can manage change is to create it.”*  
-Peter Drucker

Transportation is the fuel that literally powers Florida’s economic engine, and, let’s be honest, we’re running out of “gas!” The fuel warning light is ON and it’s time for a fill-up. But we can’t “manage” this inconvenient truth through budget cuts alone – we’ve got to “create” positive change for our people by increasing our transportation investments and focusing on relieving traffic congestion.

Simply put, we can’t move the People of Florida forward – or our state’s economy – if our transportation system is sputtering on fumes or stuck in reverse.

