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REVIEW & OUTLOOK

Of Bridges and Taxes

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Some things in politics seem to be inevitable -- and one of them is that any road or bridge tragedy will be followed by an argument to raise the gasoline tax. That's what is now happening in the wake of the terrible Minnesota bridge collapse, but that state's transportation and tax record shows precisely why voters are skeptical.

The gas tax pleas are coming from the usual suspects, in both Washington and St. Paul. James Oberstar, the Minnesota Democrat who runs the House Transportation and Infrastructure Committee, recently stood beside the wreckage and recommended an increase in the 18.4 cent a gallon federal gas tax, as a way to prevent future bridge collapses. His wing man, Alaska Republican and former Transportation Chairman Don Young, agrees whole-heartedly.

1 HOT TOPIC
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As it happens, these are the same men who played the lead role in the \$286 billion 2005 federal highway bill. That's the bill that diverted billions of dollars of gas tax money *away from* urgent road and bridge projects toward Member earmarks for bike paths, nature trails


and inefficient urban transit systems.

In Minnesota, meanwhile, politicians and editorial writers imply that the bridge collapse is somehow the fault of those like GOP Governor Tim Pawlenty who believe in the "motto" of no new taxes, as a columnist for the Minneapolis Star Tribune put it. Mr. Pawlenty has been skewered for his veto earlier this year of a 7.5 cent a gallon gasoline tax increase (from 20 cents a gallon currently). Senator Amy Klobuchar, a Minnesota Democrat, has told her Gopher State constituents that if President Bush weren't keeping us in Iraq, bridges wouldn't be falling down.

Mr. Pawlenty has been wavering, first saying after the collapse that he was open to a tax increase but more recently showing more reluctance. Democrats in the Legislature are also demanding a sales tax hike to raise another \$1.5 billion. What's never explained is why the gas-tax revenue they already raise is so poorly spent.

Minnesota's transportation auditors warned as long ago as 1990 that there was a "backlog of bridges that are classified as having structural deficiencies." In 1999 engineers declared that cracks found in the bridge that collapsed were "a major concern." Bike paths were deemed a higher priority by Congress, however, including its powerful Minnesota Representatives.


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As recently as July 25, Mr. Oberstar sent out a press release boasting that he had "secured more than \$12 million in funding" for his state in a recent federal transportation and housing bill. But \$10 million of that was dedicated to a commuter rail line, \$250,000 for the "Isanti Bike/Walk Trail," \$200,000 to bus services in Duluth, and \$150,000 for the Mesabi Academy of Kidspace in Buhl. None of it went for bridge repair.

Minnesota's state budget is also hardly short of tax revenue. The state spends \$25 billion a year, twice what it did 10 years ago. The Tax Foundation reports that Minnesota has the seventh highest personal income tax rates among all states, the third highest corporate tax rates, and the 10th highest taxes on workers.

The Legislature started the year with a record \$2 billion budget surplus, and the economy threw off another \$149 million of unexpected revenue. Where did all that money go? Not to roads and bridges. The Taxpayers League of Minnesota says the politicians chose to pour those tax dollars into more spending for health care, art centers, sports stadiums and welfare benefits.

Even transportation dollars aren't scarce. Minnesota spends \$1.6 billion a year on transportation -- enough to build a new bridge over the Mississippi River every four months. But nearly \$1 billion of that has been diverted from road and bridge repair to the state's light rail network that has a negligible impact on traffic congestion. Last year part of a sales tax revenue stream that is supposed to be dedicated for road and bridge construction was re-routed to mass transit. The Minnesota Department of Economic Development reports that only 2.8% of the state's commuters ride buses or rail to get to work, but these projects get up to 25% of the funding.

Americans aren't selfish or stingy, and they can see for themselves that many of our roads need repair. Minnesota in particular is a state that has long prided itself on its "progressive" politics and a willingness to pay higher taxes for good government. Minnesotans already pay twice as much in taxes per capita than residents in New Hampshire and Texas -- states that haven't had a major bridge collapse.

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We suspect most voters would indeed be willing to pay more for better roads and bridges, if they had any reason to believe that is where the money would be spent. But they have long experience with politicians promising them that new taxes will go to such projects only to see it diverted for parochial ends. A new Survey USA poll finds that 57% of Minnesotans oppose higher gas taxes. Mr. Pawlenty can follow their advice, or Mr. Oberstar's.

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