DON'T LET RED TAPE STYMIE STIMULUS

By Mitchell L. Moss

NO matter how much money President Obama wants to spend on public works, federal rules and regulations make it difficult to get money rapidly into the hands of the state and local governments that carry out these projects.

His advisers are remarkably naive if they think Washington can just pour hundreds of billions of dollars into our economy to improve mass transit, repair highways, rebuild schools and modernize water treatment plants.

Yes, LaGuardia Airport was built in less than two years — but this isn’t the 1930s. Over the last 70 years, federal bureaucrats have made it impossible to get anything done quickly. It can take as much as 12 years just to get a runway built. And the states’ own procedures and rules often add to the wasteful, time-consuming delays.

To achieve real and immediate results with “stimulus” projects, the federal government should waive requirements that eat up time, energy and money.

What are these unnecessary rules? Some regulations go too far in ordering particular procurement procedures. Others impose longer-than-necessary environmental-impact assessments — gold mines for consultants that consume years of time and millions of dollars. Overall, a study prepared for the Surface Transportation Revenue and Policy Commission concluded, federal requirements add as much as 40 percent to a project’s cost.

Washington excels at collecting money from taxpayers across the country — but it’s not very good at returning it to local communities where it can do the most good.

A perfect example is the MTA's East Side Access Project to build a LIRR rail link to Grand Central Terminal. It’s taken nearly nine years, from the time when local leaders agreed to start the project to the time when federal money started flowing to pay for it — largely because of the need to comply with environmental and federal-funding requirements.

We can’t achieve big goals unless we recognize how seemingly small rules and procedural requirements can stifle innovation and delay even well-funded projects. It took seven years to build the original Wilson Bridge in DC as part of the original Interstate Highway System — but more than 20 years to build the replacement bridge.

For all the widespread agreement about the need to modernize our transportation and energy infrastructure, we won’t get it done (certainly not in time for immediate economic stimulus) unless we also radically streamline the system so that it is easy to put federal dollars to work.

It’s fine to say that projects must be “shovel ready” — but all that does is let federal dollars replace already planned state and local spending. Instead, we need Washington to fund projects that will fundamentally improve our nation and the region’s productivity while also creating jobs.

In our area, that means projects like high-speed rail on the Northeast corridor, the proposed “Access to the Region’s Core” tunnel and rebuilding the Kosciuszko Bridge and LaGuardia Airport's Central Terminal – all of which are vital to business travelers and commuters alike. The ARC project alone, still awaiting $3 billion in federal funds, would double the number of trains moving into Manhattan under the Hudson River and take 22,000 cars off the region’s highways.

There is no better time than now, in the midst of a deepening recession, to abolish obsolete requirements and procedures that are not necessary in an age of e-mail, the Internet and mobile communications.

The federal government must do more than provide money; it must eliminate unneeded hurdles that make it so hard — and so expensive — to get things done. Providing money directly to cities, so that states don’t add delays while taking a piece of the funding for “administrative fees,” is one way to put federal money to work in a timely way.

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The Obama team, in a well-intended but poorly thought-out effort to spend money quickly, is relying on existing federal agencies and programs to spend money on public works. This is too likely to result in projects that don’t transform our economy but do waste federal dollars. The president must change how we do things if he is to meet his own campaign goal of “change we can believe in.”

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