

## **Strong Towns Podcast**

### **Rep. Jake Auchincloss & Rep. Mike Gallagher: How Congress Can Support Local Leaders and Get the Economy Going**

#### **Chuck Marohn:**

Hey, everybody. This is Chuck Marohn. Welcome back to the Strong Towns podcast. This is a very special edition because I have two guests today. Representative Mike Gallagher represents Wisconsin's 8th district, and Jake Auchincloss represents the 4th district of Massachusetts. They are both on the House Transportation and Infrastructure Committee, and they have both agreed to meet with me today. They both kind of like Strong Towns for some reason, so we're going to have a nice chat.

Representative Auchincloss, welcome to the Strong Towns podcast.

#### **Jake Auchincloss:**

Thank you for having me on, Chuck. I've been a longtime reader and listener to Strong Towns. As a city councilor in Newton, it was one of my go-to guides, so it's a thrill to be here.

#### **Chuck Marohn:**

Thank you. That means a lot to me.

Representative Gallagher, welcome. I've been in touch with your office for a long time and really appreciate sitting down with you.

#### **Mike Gallagher:**

It's an honor. Likewise. Jake, I'm also excited to have this discussion. We were joking before this started that we have a lot of mutual friends, and we've been meaning to get together in person. Now your audience is going to watch it happen on the fly here, our best friendship emerging on Strong Towns.

#### **Chuck Marohn:**

That's beautiful. I want to double down on that because I think one of the interesting things to me, and I think will be interesting to our audience, is that you two represent very different places, places that we're told there's not a lot of commonality in today's America, but I sense that there is. I would like to start by having you describe where you're from, the place you represent, and maybe some of the transportation infrastructure-related issues that you bring to the table.

Representative Gallagher, could I start with you on this one?

**Mike Gallagher:**

Sure. Well, I represent northeast Wisconsin in Congress. Think Green Bay Packers. I represent the Green Bay Packers in Congress.

**Chuck Marohn:**

I won't hold that against you, friend.

**Mike Gallagher:**

Yeah, I'm still recovering from yet another NFC Championship loss. It's dark days in Titledown USA right now. I'd be interested how Jake feels about Tom Brady, though. That's got to be a lot of mixed feelings for anyone from Massachusetts right now.

**Jake Auchincloss:**

It's like going to your ex-girlfriend's wedding, to watch Tom Brady win with Tampa Bay, although I was rooting for him every step of the way. I represent Gillette Stadium, so the New England Patriots have a special place in my heart.

**Mike Gallagher:**

That's awesome. Hey, look at that, there's a commonality. We both have NFL stadiums in our district.

I think for me, we have a whole host of transportation and infrastructure needs in northeast Wisconsin that stem from our unique geography. We're not only a rural district, but considering our proximity to the Great Lakes, we face some similar infrastructure issues to that of a coastal district as well. For example, across my district, people suffer from severe flooding at times, which is something that we were able to address partially in WRDA last year. We also have rivers that need to be dredged from the Harbor Maintenance Trust Fund, and ports that become so frozen over in the winter that our cargo ships can't leave port for days during each winter season. Then, of course, we have more standard infrastructure concerns. We have clogged highways that are in need of expansion, like I-41 between Appleton and Green Bay. Those are the two biggest cities in my district. And regional airports that are struggling to cope with coronavirus and compete nationally right now. Yeah, I think my district is the best in the country, but I think Jake might have a different view.

**Chuck Marohn:**

Jake?

**Jake Auchincloss:**

I represent a region of Massachusetts right outside of Boston. It extends from the inner core suburbs of Boston through southeastern Mass and the border of Rhode Island. There are really two different dimensions to the district. In the northern part, Newton, Brookline, Wellesley, Needham, these are suburbs that are within a 30-minute commuter shed of downtown Boston, that have really participated in the eds and meds miracle of Greater Boston in the last 40 years and have thrived along with the knowledge economy. Then in southeastern Massachusetts, towns like Fall River, Taunton, Attleboro were thriving in the 19th century and early 20th century, had strong traditions of manufacturing in textiles and jewelry, but have been really left behind since World War II and has struggled to reclaim a strong base in manufacturing and in economic development. They are torn between Providence and Boston as centers of gravity for economic development.

One thing that is in common across the district, though, is water infrastructure. Our subsurface infrastructure in Massachusetts is going on 100 years old, in some places even older, and Chuck, I know you talk a lot about this in Strong Towns, is an absolute ticking time bomb of a liability and needs to be a priority for clean water.

**Chuck Marohn:**

Let me get into the Strong towns part of this. One of the things that we highlight the most is that maintenance backlog. Part of our narrative really centers on the idea that we've overbuilt our infrastructure. We actually built a lot of infrastructure. Infrastructure is one of these things where the economists will tell us, "This is how we create jobs. This is how we create growth," and we become really good at this, going out and building stuff. We become less adept at maintaining it and, I would say, less adept at making really good use of it.

From where you're sitting right now, we're obviously in the middle of a pandemic. You guys have not really met in person because of the pandemic. There's a need to get the economy going, and there's a big push. I'll start with you, Representative Auchincloss. What is the difference between or the sense in your mind of we need to do infrastructure for stimulus versus we need to do infrastructure as a smart long-term investment? Is there a difference to you? Is there a tension there? How do you approach thinking about this?

**Jake Auchincloss:**

Yeah, I don't think I see the tension there. What I see is an absolute need for us to be investing in maintenance right now. I mentioned the water infrastructure, but we've also got significant backlogs in maintenance for surface infrastructure, roads, bridges, and for a light rail system as well. We need to be sure that we're fixing what we have. That does not preclude us from making further investments into connectivity.

What I hope that we do for an infrastructure bill this time around is that we start evaluating projects not by what is shovel ready, but by what is shovel worthy. We have the data and we have the sophistication in 2021 to do that. Between Bureau of Labor Statistics, between

census data, between GPS data, you can look at a project, whether we're talking about a bike lane or a deep-water port, and say, "For this investment, how much thicker does the labor market get within a 30-minute commuter shed around this typical constituent? How much more are we connecting people to jobs and services?"

Is that going to be perfect? Of course it's not going to be perfect, but there's a huge role for the federal government to play in making that data more transparent, more tractable, and then allowing states and cities to take the lead on how they want to make those investments now that they have clear access to that information. Too much, you get civil engineering reports that are 700 pages long, indecipherable to the constituent or to the city planner, and people are told, "Just trust us. This is the project to do." I want more robust debate that's informed by, well, actually, in this situation, putting in a protected bike lane is actually the best thing we can do to thicken the labor market around somebody."

**Chuck Marohn:**

Representative Gallagher, how do we look at stimulus versus making good long-term investments?

**Mike Gallagher:**

Yeah. Well, I'm somewhat skeptical that a shovel-ready project amounts to a significant form of stimulus. The timing tends not to line up, particularly given that permitting alone takes years. We put forward a plan, in concert with the Trump administration, on the T&I Committee over the last two years that would reduce permitting to two years and reduce these 100-page reports to something more manageable. The bill went nowhere. So the idea that we're going to smash \$2 trillion into a system that is already slow in order to get fast results, to me, doesn't hold water.

I think Jake said something really important, though. Quite honestly, it's a debate that I don't think we've had in the committee that I hope we do, in particular now that we have such talented new members like Jake on the committee. It's this idea that we start off with these very bold claims, "We have \$3 trillion worth of infrastructure needs in America. We have \$4 trillion. We have \$2 trillion," and we never really dig in with full transparency into how these estimates are formulated, let alone make the connection that Jake is talking about to local labor markets and the long-term economic impacts.

I think a useful starting point for this debate about stimulus or a bipartisan infrastructure bill is just an agreement on the data and how we are analyzing those data, and a commitment to transparency when we throw around these massive numbers. Quite honestly, that's a prior debate that we have yet to have on the committee that I hope we do, because it's important. I'd be lying to you if I said I had a granular assessment down to the dollar of our national infrastructure needs right now because in many cases we're relying on third-party analysis that is not often dispassionate, that has an interest in certain projects, if that makes sense.

**Chuck Marohn:**

That totally makes sense. Jake, please.

**Jake Auchincloss:**

I think we're seeing strides in the right direction here. I was speaking with Transportation for America about this. There's a program in Virginia called SMART SCALE that is, I think, very promising, and I believe, Mike, based on research coming out of the University of Wisconsin, actually, a partnership between Wisconsin-Madison and Transportation for America to try to do a better job of measuring the ROI of transportation projects.

There is such an important role for the federal government to play as an honest arbiter of that kind of data, and then as much as possible, we used to say in the Marine Corps, centralize command, decentralize control. I think there's such a role to play in creating a common framework about how do you think about these projects, and then letting mayors really take the lead on the investments. As a former city official myself, I just know that state and local officials are so often best prepared to make the granular decisions about how to do projects.

Chuck, as you've pointed out so often in Strong Towns, a lot of times those projects are not very sexy. A lot of times, they're fixing a main street so that it's more pleasant to walk on, or planting trees, or fixing bus prioritization signaling. These are really important things that don't necessarily lend themselves to talking points, but really do lend themselves to better access to jobs and services.

**Chuck Marohn:**

I agree with exactly what you just said. A lot of these projects are very small even. They're fixing sidewalks and, as you say, fixing the bus signalization. What's the federal government's role in supporting that kind of investment? Because a lot of that investment is very granular, hyper local. There's a tendency at times for city councils, and Representative Auchincloss, you were on one, to be tempted into chasing the shiny object, the big federal grant or the big federal project. How does the federal government support these smaller investments that are higher returning and really going to make better use of our existing infrastructure?

**Jake Auchincloss:**

Mike, go first. I've got thoughts, but I want to hear from you.

**Mike Gallagher:**

Yeah. Since you opened the floodgates of Marine Corps-isms, I have this fantasy that I'm going to be able to go around to every school in my district and give a graduation speech that's the opposite of every graduation speech everyone has ever given about, "Think big.

Follow your dreams," and have this whole philosophy of life about thinking small. This ties to a concept that we are brainwashed in the Marine Corps surrounding brilliance in the basics. They send Jake and I to six months in Quantico to The Basic School. It's not the sexy school. It's not the high-speed school. It's just all about the basics of being a Marine Corps officer.

I bring that up only to suggest that too often we do not master the basics, and I think the federal role is one of perverting the incentives at the local level. When we tried to get at this over the last four years with the whole Infrastructure Incentives Initiative, this was part of Trump's whole infrastructure plan, where there was \$200 billion that would go into this Infrastructure Incentives Initiative, and what was unique about it is that grant awards couldn't exceed 20% of the total project cost. Consider that some projects right now, the federal government pays 95% of the cost.

This may be less stimulative, to tie it to your earlier question, but in my opinion it's more responsible. It's the federal government saying, "Okay, we want to be a partner with the local government, but it's incumbent upon state and local governments to really do their homework to understand the project and understand how much skin in the game they're going to be responsible for over the entire lifetime of the project." I think about shifting or transforming the federal role in terms of the incentives and the signals it sends down to the local level, if that makes sense.

#### **Jake Auchincloss:**

It does. Just to build on that, we oftentimes think about the federal, state, and local partnerships in transportation as they both pitch in money. The federal government puts some money down, and the state or city is required to put some money down. I think that's appropriate in some states to have that kind of skin in the game.

What I'd like to see us pivot to, though, is a dollars-for-policy mindset where, back to the idea of the federal government being an honest broker, there are some things that we have pretty strong conviction about, good land use of transportation policies across the board, getting rid of parking minimums, implementing congestion pricing in dense urban areas where they've got severe traffic, making it easier to build the next increment of housing, as Strong Towns talks about, going from single-family to two-family, etc. I think adding some of those strings to federal dollars can be useful, not just for getting that policy to the front of a queue, but also, and I think this is sometimes overlooked, providing some political cover for state and local officials to do what they may want to do, but that's really difficult to do given a constituency.

I can tell you, as a city councilor on a land use and transportation committee, literally the least popular thing you can do is take away parking. The most unifying issue in America is people's love of free on-street parking. It's just super challenging sometimes to be a city councilor in a room with 150 of your constituents and you're telling them, "Yeah, we're going to take away all your parking and put in a bike line," "We're going to take all of your parking to put in a bus lane," or "We're going to charge for parking to reflect its true cost." These are

challenging things to do. Having some federal strings come with money gives some of that cover that I think can be very useful.

**Mike Gallagher:**

Only slightly less unifying, Jake, is America's hatred for Tom Brady. It's parking and Tom Brady, in that order, my friend. You don't have to comment.

**Jake Auchincloss:**

Wait until he's 50 years old with another three Super Bowl rings.

**Mike Gallagher:**

I know. It's scary that might actually happen.

**Chuck Marohn:**

I see a consensus, not only I think with the two of you, but just generally, there's a broad support, seemingly, for fix-it-first legislation, if we're going to call it fix it first or call it something else, the idea that we would really focus on maintaining what we have before we make huge commitments to building new stuff.

**Jake Auchincloss:**

Maintenance backlog has to be addressed. What I don't want to crowd out, though, is the idea that we do need to have big, ambitious investments ahead of us. The Eisenhower interstate program, and we can debate whether in the long run highways have been good for us as a country, but with the federal ambitious investment, I think did kickstart a huge amount of economic development.

You look at port infrastructure in this country, for example. I don't know if that really lends itself to an incremental mayor-first approach. That's going to have to be done with some serious federal dollars. I think the same thing about airports, high-speed rail that is regional in nature. We've got some big projects to do that I think do need national leadership, but I do think there's a lot of humility to come from us about, one, how much fixing we have to do, and two, how much deference we should be paying to state and local officials about what's best for their communities.

**Mike Gallagher:**

I think there's a misconception sometimes that fix it first means no new construction. If you're fix it first, you're anti-new road, you're anti-bridge. Of course, that's just not the case. The fact is we do need both, but we often hear this argument that we need more spending because our infrastructure is crumbling. Well, if it's crumbling, let's fix it, and we can have that debate simultaneously about those big, ambitious projects Jake is talking about. I don't think they're mutually exclusive. I do think, as your work has really convinced me, Chuck, that

states and localities tend to underestimate the long-term cost of these shiny new projects, for which there's always a political incentive that may not be economically responsible over the long term.

A half-baked thought here, just because you mentioned Eisenhower and the interstate highway project. That was part of the reason I worked so hard to get on the T&I Committee. I wrote my graduate dissertation on the Eisenhower administration. Though it was about geopolitics and not about domestic policy, let alone infrastructure policy, I was always fascinated by the way in which Eisenhower couched arguments for the interstate highway system in terms of national security, and quite adeptly connected our infrastructure needs to the geopolitical environment.

I'm not sure we've quite done the same in the present day. Certainly, we've seen a big debate over China's massive investment in infrastructure, primarily INDOPACOM, and our need to counter their Belt and Road Initiative. But we haven't quite connected the intellectual dots between our own infrastructure needs domestically, some of those bigger national priorities Jake talked about, and the unique geopolitical environment we're in right now.

**Jake Auchincloss:**

I think the version of that for the 21st century is going to be less about connecting domestic transportation infrastructure to national security, although that may be an element, and more about connecting it with climate change and making a strong, visceral point to the American people, who are largely, I think, sold on the idea that climate change is real and that we need to take action on it. In Massachusetts, transportation is 40% of our carbon footprint. If we are really serious about carbon neutrality by 2050, we'd better be rethinking how we get around and are reliant on single-occupancy gas-powered vehicles.

**Chuck Marohn:**

What are the lessons from Eisenhower? I'll start with you, Mike. When you look at the interstate highway system, I feel like there's a strong case that this was economically transformative for America. I think there's also a strong case that when we got to the end of building what we said we would build, we had so much momentum we just kept on going. There's also some micro-lessons, I think, in there. As you're thinking about what the next generation of federal infrastructure investments would be, what are the lessons from Eisenhower?

**Mike Gallagher:**

Well, the enduring lesson of Eisenhower which transcends any issue area, infrastructure, domestic politics, foreign policy, and your personal life, is something that he often told his subordinates, which is, "Now, boys, let's not make our mistakes in a hurry." That phrase is constantly in my mind when I'm considering legislation and considering proposals.

I think the history, though I'm not an expert on that particular part of the Eisenhower administration, I do think the history of the interstate highway project is a history of great success, but also some unintended consequences and negative externalities. Certainly, we've seen that in the Great Lakes system with some of the promises of the Saint Lawrence Seaway. There's a phenomenal book by Dan Egan called *The Death and Life of the Great Lakes*, which is all about unintended consequences and the adverse impacts on the Great Lakes, a very ambitious, well-intentioned economic development and infrastructure project. So for me, it's both an inspiration that it is possible in America to do very ambitious national projects, but also a note of caution that we really need to think through the positive and negative externalities.

**Mike Gallagher:**

One thing I think, Jake, maybe we can spend some time working together on in committee is I really haven't sat back and thought about, "Okay, lessons learned in the pandemic for infrastructure." You could say, okay, work from home, digital work is going to be here to stay. It's not going to be as it is right now. At some point, people will want to have actual human interaction. But what does that mean for our infrastructure needs? Obviously, it places a greater premium on rural broadband in a state like mine in order to profit on human capital. But that's an interesting question. What do we learn from the pandemic, and what does it mean for infrastructure? I think that's a question Eisenhower would be asking himself today.

**Chuck Marohn:**

Representative Auchincloss, I know you said there's many things we can learn from the Interstate Highway Act. As you're thinking about that and thinking about making transformative investments today, what are some of those lessons you'd bring forward?

**Jake Auchincloss:**

Mike said it very well in terms of the lessons from Eisenhower. I'll speak from a district's perspective right now, which is to say that the highways that we built have absolutely helped knit Massachusetts together with the broader regional and national economies, but they also plowed through Black neighborhoods and really cut a scar across much of the landscape. We're not even, I would say, close to knitting them back together again. I just think we've got to take a much more granular approach to transportation.

This is one of the reasons I like this SMART SCALE program so much coming out of Virginia, is that it would show that for a new highway project, for example, yes, there would be net positive impact for accessing jobs and services at the terminus of the highway and maybe at the exit points, but when you look at all the neighborhoods adjacent to it that don't have means of egress, they are going to suffer from higher rates of negative public health outcomes without necessarily any increased access. Those tend to be lower-income communities. Those tend to be communities of color. So I think we've just got to take a more organic, bottom-up approach to transportation and vest more of the decision-making power into those who are more attuned with the needs of that community.

**Chuck Marohn:**

Jake, if I could follow up with you, because Mayor Pete, now Secretary Buttigieg, really, to me, the thing that I hope he's known best for in the transportation infrastructure realm is changing the investment pattern in South Bend from one of growing hyper out and building a lot of new infrastructure to one of going back and saying, "Let's fix our main street. Let's redo this through town. Let's actually get this highway mentality out and actually make it about building a place."

Going back to a transportation infrastructure package, how much of reclaiming these neighborhoods that were violated, that were bisected, how much of going back and restoring this is going to be part of that conversation? How do you do that today, given the time that's elapsed and all the nuances on the ground?

**Jake Auchincloss:**

I've got great hopes for Mayor Pete. When he and I spoke, we talked about some of the principles of the Future of Transportation Caucus, equity, access, and sustainability. He bragged about being, I think, the first mayor in the Midwest to abolish parking minimums. We're talking about a secretary of transportation who really understands Strong Towns principles and who is committed to implementing them, and he's bringing a millennial approach to it, which I think is really exciting. I know that he is deeply concerned about these issues as well.

To me, a lot of it is about trying to give more of the decision-making to mayors and to the city councils about how they are making transportation investments. This is an interesting aspect of the American Rescue Plan that will play out over the next year or two. I have a hunch that it's going to be partly a backdoor infrastructure plan as well. A lot of money is going to states and cities, some of it maybe more than they can possibly figure out how to spend. If there's one thing I know about state and local officials, it is that they are very crafty about tucking away funds for future rainy days or for future capital investments because they have to balance their books, and they understand that when a check comes, it's something to hold on to. I think we're going to see that they have more latitude over the next 18 months to 24 months to make investments, whether we're talking about HVAC upgrades to schools to street improvement programs. I hope we give them that latitude through the ARP.

**Chuck Marohn:**

Mike, I want to ask you about restoring some of the damage that's been done. You have a lot of small towns in your district, and one of the things that we see over and over again in small towns is that the main street is now the highway through the city. You wind up with the priorities lined up around traffic flow as opposed to helping the businesses and economic development and making the place work. There's this tension there. How do we think about, in the year 2021, investments in infrastructure that help strengthen that local economy,

more than just grow the rote amount of lane miles we have or the rote amount of area we're providing infrastructure to?

**Mike Gallagher:**

Yeah, I wish I had a silver-bullet solution for it. I think a lot of it gets back to Jake's fundamental point, which is what I would call a bottom-up approach of listening to mayors and local officials who truly understand the unique needs of these small cities, and anytime we're talking about a build grant or other forms of infrastructure funding, making sure it has that bottom-up perspective.

Then I would say, even at a time when let's say Congress is divided, and I would be the first to admit that I think we missed a huge opportunity when I came in four years ago to tie tax reform and repatriation of money overseas to a transformative investment in infrastructure domestically. I then proposed a big grand bargain budget deal where we would have equal increases in infrastructure and military spending because I thought that was the only thing that would avoid a government shutdown and be bipartisan. But even at a time when things like that aren't happening, or let's say, to the extent we're doing an infrastructure bill over the next two years, it's going to be backdoored through these two rounds of budget reconciliation, there's always room from the bottom up to help communities like Oconto Falls in Wisconsin, Seymour, the home of the hamburger, deal with their unique infrastructure needs in a way that doesn't destroy daily life.

We've had phenomenal success in getting targeted infrastructure grants to help northeast Wisconsin. They don't get a lot of headlines, but something as simple as fixing a faulty interchange, federal money to help with clean water in Sturgeon Bay, that stuff can be transformative. I think a lot of it just comes from that bottom-up perspective.

**Jake Auchincloss:**

I want to offer one top-down disagreement with myself here that I alluded to earlier, which is about parking. If I had to pick one issue in this country at the intersection of transportation and housing and the environment that I feel like is the most foundationally counterproductive, it is our parking policy as a country. We have a totally distorted market that reflects the opportunity cost of the land that is set aside for cars. I want to say it's like a third of all urban land in this country is used for storing cars. It's regressive in the deepest sense of the word, in the sense that those who are highest income tend to benefit from, basically, subsidies from the public in terms of how they store their cars. It shapes cities in an automobile spacial sense as opposed to on a human-centric sense. Obviously, Strong Towns has written a lot about this.

Housing becomes more expensive because we're subsidizing the storage of cars rather than the places for people. It creates buildings, and Chuck, you talk a lot about this, where it's big solutions, big developers as opposed to fine-grained solutions and local developers, because when you've got to wrap housing or commercial units around a massive parking garage, you need to be able to put \$50 million to work and you need to be able to do the zoning for an

entire city block. It becomes a project that's out of reach for most people. I would be in favor of a little bit more of a strong-armed national approach to parking because, as I said earlier, just coming from the perspective of a local official, it is really challenging to take on parking city block by city block because the backlash that you get is very self-selected for those who are trying to protect those parking spots.

By the way, that's not a judgment against those who are trying to do it. I park outside of my house in Newton, and I like it. Every person watching out for their own ease and convenience is going to want really convenient parking. It's super nice. But the negative externalities associated with that, I think, have really foundationally distorted land use and transportation in this country.

**Mike Gallagher:**

Jake, it's interesting. Sorry, just to follow up, I'm planning on doing a deep dive into this issue of asset recycling in my time on the committee this Congress. I chaired the Friends of Australia Caucus. It was very prestigious, let me tell you. But if you talk to the Aussies, and particularly our former ambassador Joe Hockey, they had a very interesting experience in pioneering asset recycling. The basic idea is that governments accumulate extraneous infrastructure which goes unused and underappreciated, and meanwhile we're constantly told that we need to spend trillions in infrastructure, so why not recycle the infrastructure we already have to generate revenue streams or sell off dead weight on our balance sheets to generate funds to pay for what we need?

One of the headwinds we're confronting right now is that, particularly at the local level, some of the infrastructure that cities and towns own is for parking. They're loathe to recycle it if it results in a user fee for their citizens because of the backlash that they're going to get. Something that is very neat in concept becomes very difficult when you confront the realities on the ground that you quite clearly laid out.

**Jake Auchincloss:**

I think that's exactly right. It's a case where devolving decision-making to mayors, I would argue, is actually not the right solution because it's too close to the popular will there. Just to be clear, I don't have a problem with parking per se. I have a problem with a distorted market for parking in the sense that we really heavily subsidize it. If we price parking what it actually is worth and what it actually costs, it's going to get allocated efficiently. Maybe in certain circumstances, mayors or state officials decide to subsidize it because you've got a commuter rail stop, and it actually does make sense to induce more people to go there. I think that makes sense. But it should be a case-by-case basis rather than this systemic blanket subsidy of parking throughout our national fabric.

**Mike Gallagher:**

Well, I was told that we would have jet packs and hoverboards at this point in America's development, and so we wouldn't need parking. Where we would be going, we would not need roads, Jake. I'm not sure how we screwed that up.

**Chuck Marohn:**

We've seen quite a few studies done, and my friend Joe Minicozzi with Urban3 has sat with a bunch of mayors and said, "You're trying to get growth. You're trying to get housing. You're trying to get new development. Two-thirds of your downtown is parking. There's the land that you own." The mayors have a really difficult time addressing that and letting go.

I spend a lot of time thinking about parking and how we move cities into doing things differently. I've not thought a lot about the federal role in that. Jake, I'm not sure if you've gone to the next step of saying, "Okay, how would we do this?" If you have, I want to give you room to enunciate that, because I'd like to hear it myself.

**Jake Auchincloss:**

It's funny you bring up Joe. I looped Joe into a debate we were having about parking in Newton to try to convince some of my colleagues, somewhat effectively actually, about the fact that we were giving too much parking to a big development in the city. He's great. He's one of the leading-

**Chuck Marohn:**

He is great.

**Jake Auchincloss:**

... voices on this. This is something I'm grappling with is, how do you make transparent the cost of parking and then ask all levels of government to surface that? I don't have a good answer to it and would welcome expert opinions from Strong Towns and elsewhere on it.

**Chuck Marohn:**

Maybe we need to work on that one.

**Mike Gallagher:**

Jake is obviously far more of an expert on this than I am, so I don't have the solution. But I know, Chuck, you like to get philosophical, and something Jake said about there are areas in which devolving things to the lower level is not always the right answer, I think is a very profound point when we consider infrastructure, because a lot of my political philosophy is shaped by the concept of subsidiarity, which I think people misunderstand as always meaning lower level of governance is better. Well, that's not actually what it means. It means

finding that appropriate level at which governance and regulation can be most effective. In some cases, like school districts, that tends to be hyper local. In other cases, it can be statewide. In other cases, it's federal. I never grappled with this parking issue from that perspective, "Okay, what is the actual appropriate role for the federal government?" but it's certainly something that I'd be willing to, Jake, work with you on.

**Chuck Marohn:**

There is a certain aspect of subsidiarity, too, where not only do you devolve decision-making down to the level it can be made, but there's this idea of offering assistance down. I think of this in a Catholic sense. You give the local parish a lot of latitude and the local priest a lot of latitude, but you also give guidance and direction and nudge things in a different direction. I wonder if there's a balance there that we can get to. Jake, you were going to add something on parking.

**Jake Auchincloss:**

I was going to say two things to that. One is my political hunch is that a lot of this is going to come down to the federal will of tying dollars to changes in parking policy. The reason that the drinking age is 21 in most states is highway funds got tied to raising it to 21 from 18. It wasn't that 50 governors woke up one morning and were like, "Yeah, you know what, actually, it should be 21." Money talks, and federal money provides strong inducement for changing policy, even when it's loosely related.

I think we're going to have to be creative about tying federal dollars to targeted changes in parking policy, and doing it flexibly enough that you still do allow state and local officials in places where that's not the challenge, that we're not unfairly penalizing those motorists, because motorist is going to be one of the modalities that we need going forward. It's going to be everything from scooters to motorists to light rail to trucks. We want all of it, so we don't want to penalize people. We just want them all to be priced fairly.

Then the second area, I also think we're going to be able to draw a lot of lessons from Europe on this. European urban mobility is really just much better than American urban mobility. I look to a city like Copenhagen, for example. The reason I find Copenhagen such an interesting source of inspiration is that in the 1970s, Copenhagen and Boston were in relatively similar situations. They had downtowns that were getting hollowed out. They had poor infrastructure. Then each of them made a series of decisions over the next 50 years that have ended up in different places.

Boston did some good work with the Big Dig, which I think has been transformative. Copenhagen basically pooled together a lot of its assets and started funding improvements to transit through private development of land adjacent to that transit and using the proceeds from that development to then fund the next leg of that transit. It was very incremental. It was very organic. Over the course of 50 years, they've become, I would argue, the single best example of urban mobility in the western hemisphere, starting from the same place that Boston was in the 1970s.

**Chuck Marohn:**

Can I give that a name? In the U.S., we talk about public-private partnerships, and I really find the way we do it to be very bastardized and unproductive. But the way you're talking about, essentially, value capture as a way to fund infrastructure is really a private-public partnership in a way that truly benefits the public. Is this something that, from a transit standpoint, we can start to talk about, you think?

**Mike Gallagher:**

If memory serves, it was in the Trump infrastructure plan. There was a requirement for value-capture financing for major transit projects, so you can't use zoning to make those who own property around new projects filthy rich, and instead use the enhanced value of the land to pay for a project. Check me on that, but I think it was a key part of it. That suggests you could bring Republicans along. To the extent it marries with work you've already done at the state and local level, Jake, that might be an opportunity for bipartisan cooperation, particularly as we think about modernizing funding streams and moving away over time from the gas tax, which should be indexed to inflation, and moving to vehicle miles traveled, and all the creative ways we need new revenue. That might be just a low-hanging fruit there.

**Chuck Marohn:**

Jake, what about this idea of value capture as a way to really accelerate transit investments? How does that fit into the mix?

**Jake Auchincloss:**

It's promising. I can't speak to Wisconsin. What I would say that in Massachusetts is I'm not sure that we have the appropriate level of government. We were talking about subsidiarity. I think state is, in some areas, maybe a little too big, and the localities... Massachusetts is a hyper-local government area. Localities are a little too small.

I had proposed a couple years ago in an article a new agency called EMHAT, the Eastern Massachusetts Housing and Transportation Authority, that would try to do this based on the Copenhagen model, try to take on both the assets of the MBTA and Massport, as well as a lot of public land, to create a value capture model, but the value capture was happening internally, and thereby bypassing some of the gnarly politics at the state and local level. But it's going to require, I think, a new level of subsidiarity, at least in the New England area, is my guess.

**Chuck Marohn:**

Representative Gallagher, I want to follow up on that. You said something that really resonates with me, the idea that we go in as a federal government, make a massive investment in infrastructure, and that that really benefits in a very tangible way a lot of on-the-ground speculators and people who are able to front-run that and get themselves in and

experience that value benefit. That happens a lot with transit, and we see it. There's a lot of lost, I think, public wealth, or public wealth that is transferred to private individuals, in rural areas in particular.

This is one of the places where I see us missing an opportunity to not only right-scale our infrastructure investments, but actually pay for them in a way that's responsible. How do we go to that small town that wants the new interchange, or that place that wants us to build another mile of frontage road for them, and say, "Look, we can maybe be partners in this, but the economics of it have to be a little bit different. There's got to be a different mix of how we pay for this"? Is it a public-private partnership? Is that the rubric we put this under?

**Mike Gallagher:**

Well, I mentioned some of the ways in which we tried to change the incentive structure and failed over the last four years, but it was precisely for that reason. I'm skeptical of spending massive amounts of federal dollars through taxing states and cities, and then packaging that money as federal grants only to send it back to the states and cities. At times, it strikes me as a self-licking ice cream cone.

I think we would often be better off having states and cities raise the money themselves through taxes and local financing so they would indeed have the flexibility they need to complete the projects however they see fit. If they can't raise the money, then we might question whether or not their tax base could support the project. If it's a project of national importance, such as interstate commerce, then federal dollars can and should absolutely come into play.

But that's an ideal world. The reality is that we have dozens, if not hundreds, of grant programs that mayors can tap into that have a ton of strings attached. These programs were created for a reason. Congress isn't and shouldn't be in the business of taxing other parts of the nation to give blank checks to different parts of the nation unless it's a project of national importance. It's a complicated picture, and I think it's going to require us to overhaul, over the course of the next decade, how we award federal dollars.

If cities continue taking on debt chasing shiny objects, I think many of them are going to face bankruptcy and insolvency over the next decade. Part of this is mismanagement, part of it's fallout from coronavirus, and the rest is a myriad of other challenges that differ by location. I look forward to Jake and I fixing all these problems over the next two years.

**Jake Auchincloss:**

Part of this is going to be, I think, updating GASB as well. I know Strong Towns has written about this.

**Chuck Marohn:**

Wow. Thank you. I didn't know you were versed in updating GASB, because GASB is a disaster that's driving a lot of this, right?

**Jake Auchincloss:**

Well, and it's an area that I had some experience in at the local level in that... This was pre-COVID, back in a different mindset. But we were in a situation where the interest rates for municipal debt, for example, were, I don't know, 2.5%, 3%, something like that, and the shadow interest rate for our depreciated roads, for the damage that they caused to individuals, motorists, and lost productivity, was estimated at somewhere between 7% and 12%. We had this opportunity to swap out relatively cheap financial debt and pay down relatively expensive infrastructure debt. But the infrastructure liabilities are not articulated in any kind of municipal balance sheet. Nobody ever sees that. This is obviously a point about looking at them as a liability rather than as just an implicit asset.

If we can update GASB and just make... Again, this goes back to transparency and making data tractable and transparent for people. If we can just show the true balance sheet that cities are facing, I think, not immediately, but over the course of a couple of election and governance cycles, that starts to get digested by people and different decisions are going to start to be made.

**Chuck Marohn:**

What's it like being on a city council and having a budget presented to you that doesn't account for those liabilities? What's the decision-making process like? I feel like that's part of the mix here. As federal partners, we're asking locals to make complex decisions, but in many ways, local officials don't have all the information.

**Jake Auchincloss:**

No. What I can point to, as opposed to a negative example, is a positive one, which is in my tenure we began to make our post-employment benefits much more crystallized. Both the healthcare and the retirement liabilities that were on our balance sheet, I think because of GASB updates, actually, became articulated. That's something like a billion dollars for the city of Newton, for example. That changes the political conversation, again, not overnight. It's not like a series of laws gets passed immediately. But if you get a number and you can point to it to voters to explain why you're making the decisions you are, and then it also, because it has become articulated and quantified, you can show progress against it, every elected official wants to be able to show progress against goals, but it's really hard to do that if they're not quantified. That was a really important step forward for paying down municipal liabilities in terms of employment benefits, and I think the same thing could happen with infrastructure.

**Chuck Marohn:**

Yeah. Very good.

**Mike Gallagher:**

Can I make a bigger point about GASB and Congress?

**Chuck Marohn:**

Please. Yeah.

**Mike Gallagher:**

I think I could probably count on maybe one finger the number of members of Congress who understand GASB. It's probably Jake is the only one. It's my experience, based only on four years of observation and as someone who did not come from politics, that the best work, particularly on T&I or the Armed Services Committee, which I am on as well, that gets done tends to be this very targeted, serious effort at reform for which there is often no media benefit or immediate political benefit. But I suspect if we are going to fix our infrastructure problems in this country, it's going to require Congress, in a very unglamorous fashion, tackling all these very un-sexy issues. It's not going to be a huge, massive silver bullet in a massive infrastructure bill.

**Jake Auchincloss:**

Parking and GASB, Mike. Parking and GASB-

**Mike Gallagher:**

Parking and GASB.

**Jake Auchincloss:**

... we'll take in office.

**Chuck Marohn:**

If we fixed parking and GASB-

**Mike Gallagher:**

The rallying cry.

**Chuck Marohn:**

... you two would be my heroes for sure.

I know we're getting towards the end of our time. I don't want to end without previewing what your goals are or what you'd like to see happen this year. I'm not going to ask you to predict what will happen because I think we've been predicting an infrastructure bill for years, and who knows? You both talked about backdoor procedures, and that stuff I'm not wholly familiar with. Can you give us a little sense of what you'd like to accomplish in terms of legislation this year, and what maybe we should be thinking about as Strong Towns advocates listen to this, what we can push on and what we can help with and what we can get involved that would make a difference? Maybe I'll start with you, Representative Gallagher, if you wouldn't mind walking us through. I know you're in the minority, and so there's a limit to what you get to push, but go ahead. Walk us through this, please.

**Mike Gallagher:**

I'm painfully aware of that fact. I have some very short-term priorities for my district that I'm hoping to advance through the committee and get done this Congress. As I mentioned, I sit on Lake Michigan. In Congress this session, I hope to codify the Coast Guard's ice-breaking mission on the Great Lakes. It's a very weird niche issue, but it's one of those targeted issues where it would make a big deal. It would be a very big deal to my district that I'm hoping to get done, and it's a priority of the Great Lakes Task Force. I'm also working on a bill called the Safe Routes Act, which would eliminate some of the burdensome regulations that force logging trucks to use back roads and residential roads instead of federal interstate. Those are just two areas where I have smaller projects that I think we can actually make meaningful progress on in this Congress.

Then zooming out to bigger picture, I know I briefly alluded to it before, I think there's an enormous reservoir of bipartisan support for this idea of rural broadband. Everyone needs rural broadband. States like mine which want to compete with states like Jake's for top-level human talent in a new world of digital distance work, if we have good internet in rural areas, perhaps we can convince someone to move there and start a family there. But we always confront this fiber problem, where it's just not economically viable over the long term to lay fiber to single houses or small neighborhoods.

There's some promising technologies coming online. I'm particularly intrigued by a lot of Starlink's claims about their latency and how they can compete with fiber. I just think there's some big idea related to rural broadband that we could potentially work on and that would fundamentally be a bipartisan issue in this Congress, given that I think everybody recognizes, particularly in the midst of coronavirus, how important it is to have reliable internet access, not just so you can telecommute to work, but so your kids can actually learn if they're forced to do distance learning as well.

**Chuck Marohn:**

Right. Representative Auchincloss?

**Jake Auchincloss:**

Not just rural either, I would say. I think it's acute in rural areas, but urban Boston has, not similar, but also has broadband challenges. I think improving broadband connectivity, it's like lowering prescription drug out-of-pocket costs. It is just an almost uniformly popular issue because Americans recognize the incredible return on investment for it and how much more productive and high-quality their lives will be.

Like Mike, I've got some very specific district-level projects, a federal permit for the Allston Interchange and CSO reforms for Fall River. I would say medium-level granularity, I'm just really invested in being a catalyst and a convener for southeastern Massachusetts. This is such a tremendous region. There is such talent there. There is good housing stock. There's reasonably good transportation infrastructure. They've got connectivity to Providence and Boston. It could be the next hub for offshore wind maintenance. It could be the next hub for life sciences manufacturing. The ingredients are there, and it just needs a little bit of a shaking up to get it done. I'm not going to come there with the solutions, but I can help be somebody who facilitates that. That's very exciting to me.

Then big picture, it's really about getting this mindset change into T&I, this idea of measuring projects about their ability to connect people to jobs and services, about a more, and we'll take on this term, a subsidiarity approach of trying to nest decision-making with the level of governance most suitable for it, usually, when it comes to infrastructure, I think states and cities. Trying to get that mindset more embedded in T&I would be a big-picture goal for me.

**Mike Gallagher:**

I think we identified a few areas where we can join hands across the aisle. Fixing GASB is now my rallying cry for the next two years, the parking issue, and then this general commitment to transparency, as well as elucidating this master theory of the universe that connects subsidiarity and Marine Corps mission tactics and commanders in the tent that I can't quite grasp right now, but it's almost there.

**Jake Auchincloss:**

Well, that's because you were a Marine, so it's grunt-level IQ.

**Mike Gallagher:**

That's right.

**Chuck Marohn:**

Again, what was your rank when you got out? I was a sergeant, and so very working-class kind of thing. I was in to pay for college. What was your rank when-

**Jake Auchincloss:**

Hey, NCOs join the Marine Corps. I think any officer would tell you that.

**Chuck Marohn:**

Yeah. Army too. Yeah. Jake, what was your rank when you got out? I know this was a thing we talked about before we started. I can't remember.

**Jake Auchincloss:**

Yep. I was a captain when I got out, and then by virtue of having a pulse, I was promoted to major in the IRR, the lowest level of the reserves.

**Chuck Marohn:**

Okay. Mike, you were?

**Mike Gallagher:**

I got out as a captain, and a captain I shall remain until I die. I was talking to the Civil Air Patrol yesterday, and they said I could join the legislative unit and I would become a lieutenant colonel immediately. I thought, well, I vowed never to become a field-grade officer because something seemed to always get lost when people made the transition from company grade to field grade.

**Chuck Marohn:**

Yeah, there's something very real about being a captain. Right.

Gentlemen, it's been wonderful. Thanks to your staff for helping make this happen. Thank you to you for taking the time. Let's keep in touch. I would love to know places where we can help and where we can help push things, and if there's a place... I love the fact that the three of us come from very different places and very different backgrounds, but have a lot of things that we care about together. Thanks for taking the time. Representative Gallagher-

**Jake Auchincloss:**

Chuck, it was a pleasure.

**Chuck Marohn:**

... nice to see you. Representative Auchincloss, so nice to meet you.

**Mike Gallagher:**

Thank you.

**Chuck Marohn:**

We'll get together in D.C. at some point. That would be wonderful.

**Mike Gallagher:**

I'll look forward to that.

**Jake Auchincloss:**

Look forward to it.

**Chuck Marohn:**

Take care, you guys. Thank you so much.