

CATO: How Government Highway Policy Encourages Sprawl

Written by Administrator

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"Taxpayers, however, shouldn't have to pick up the tab for other people's preferences for suburban living, yet that has been the effect of the federal interstate highway program since the mid-1950s. The construction of free beltways and expressways has subsidized suburban development. The "correct" or efficient amount of suburban development is the amount that consumers are willing to pay for so long as they bear the incremental costs of land acquisition and expressway construction.

"To be sure, user charges and gasoline taxes approximately equal the construction and maintenance costs of major highways. But the financing of urban beltways and radial expressways from the Federal Highway Trust Fund represents a subsidy to suburban sprawl -- because all highway users pay taxes in proportion to their gasoline usage, but urban beltways and expressways are the most expensive to build and maintain. And because the number of lanes of urban highways is based on peak-period rather than off-peak travel needs, the cost of constructing and maintaining urban expressways should be paid by peak users only. For example, a 1975 study showed that urban interstate highway costs averaged about 1.3 cents per vehicle-mile; however, the cost of serving peak-hour users in Boston and San Francisco was as high as 10 to 30 cents per vehicle-mile. If the users of such roads during peak times had to pay for their costs, the supply of and demand for such roads would be much less."

Howard Wood, [How Government Highway Policy Encourages Sprawl](#)