

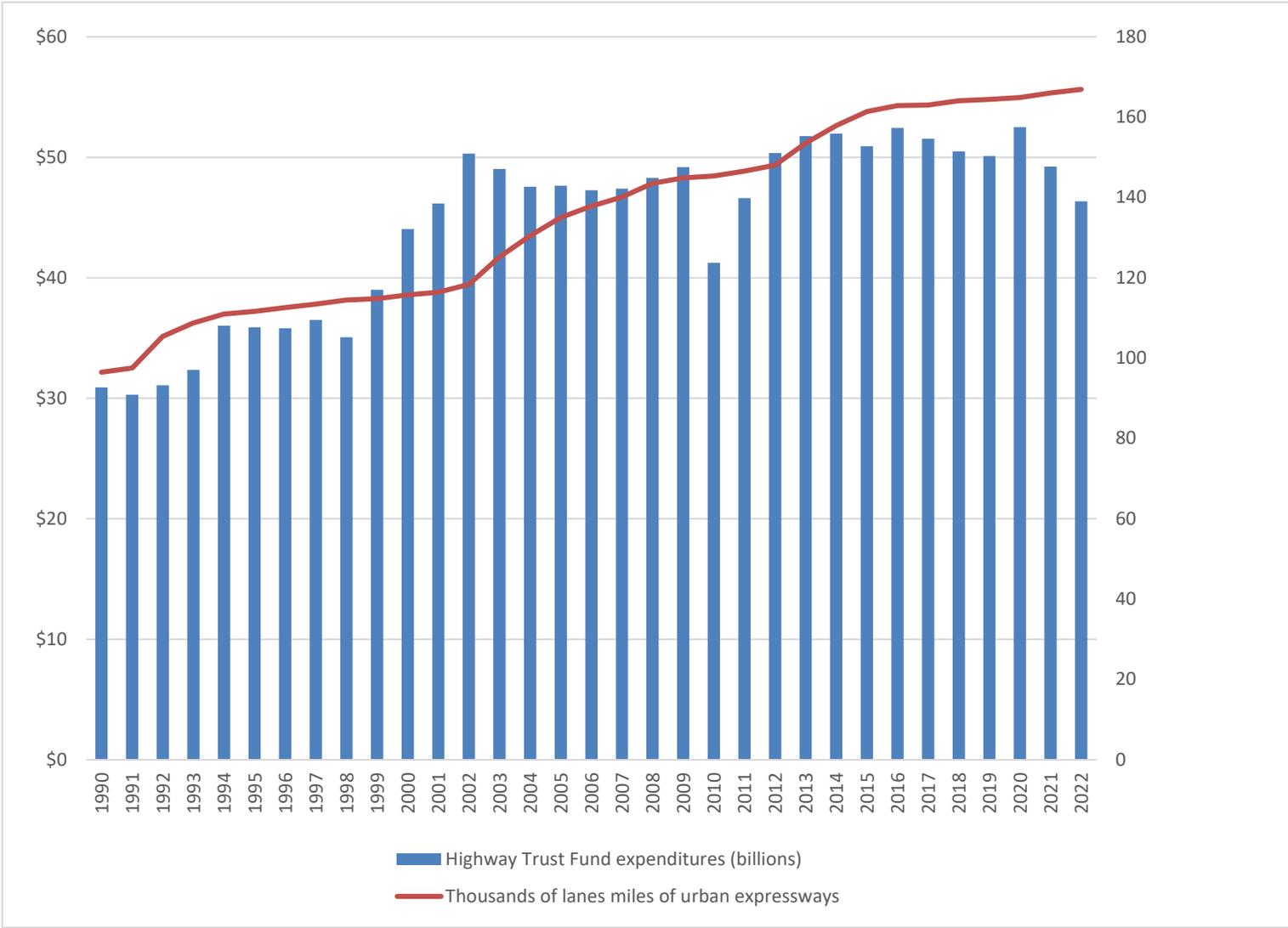


# OVERBUILT

THE HIGH COSTS AND LOW REWARDS  
OF US HIGHWAY CONSTRUCTION

ERICK GUERRA

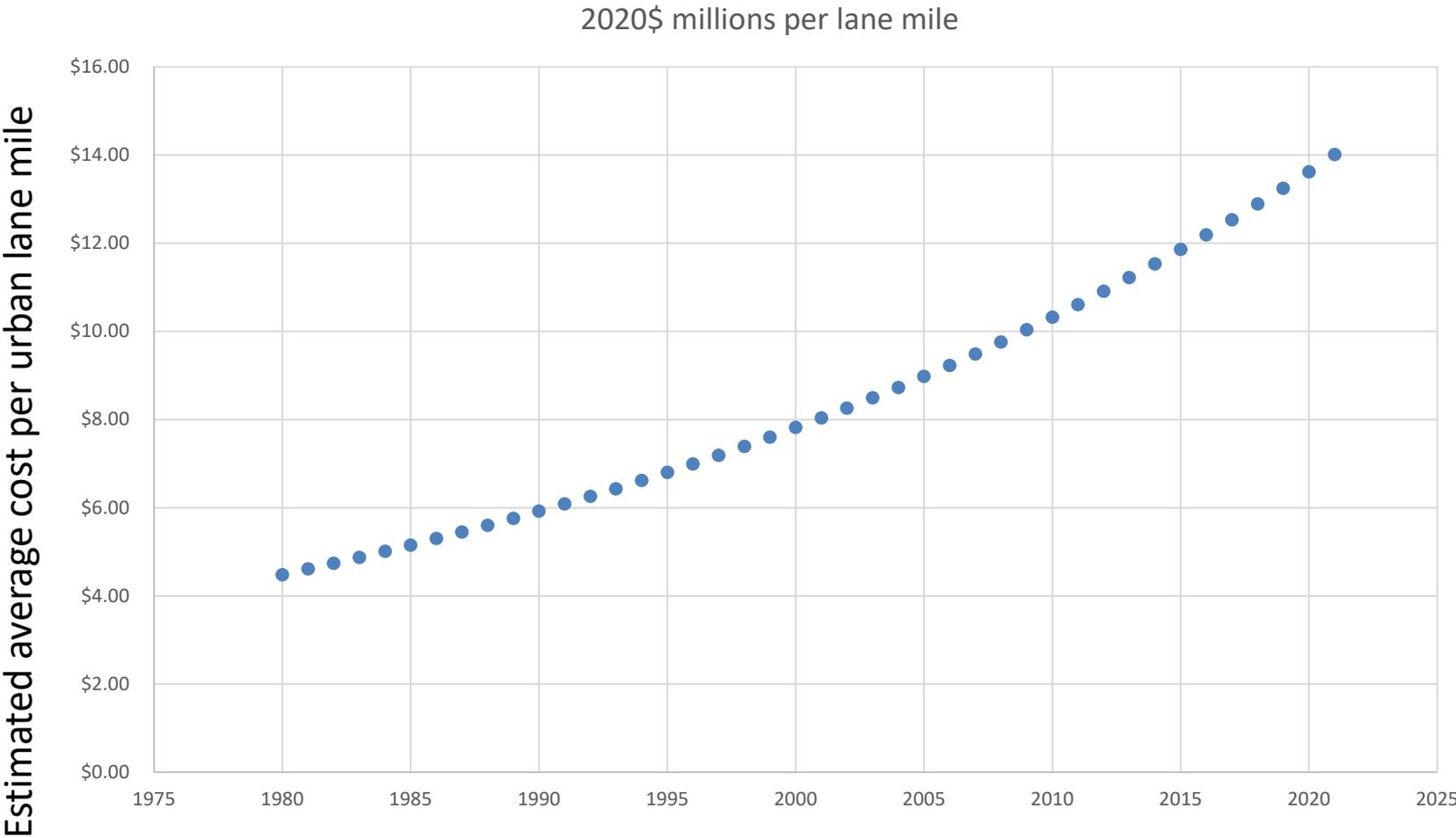
# Federal highway spending and lane miles since 1990



Inflation-adjusted highway expenditures (in 2022 dollars) from the Highway Trust Fund and total lane miles of urban interstate highway and other expressways

# Federal highway spending and lane miles since 1990

Trend of increasing construction costs (figure below) and an increasing share of funds going to reconstruction and maintenance.



## Some quick facts

- Annual inflation-adjusted highway expenditures from the Highway Trust Fund—excluding the roughly \$10 billion per year currently spent on transit—are \$15 billion to \$20 billion higher than they were during peak interstate construction.

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- The number of lane miles of urban interstate increased 74 percent, from 63 thousand in 1991 to 110 thousand in 2023. (73% in Oregon)

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- The number of lane miles of urban interstate increased 74 percent, from 63 thousand in 1991 to 110 thousand in 2023.
- This growth in urban highways has been around 65 percent faster than growth in the US population.

## **Overbuilt's central arguments**

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The finance and evaluation measures developed to build the Interstate Highway System continue to encourage overbuilding

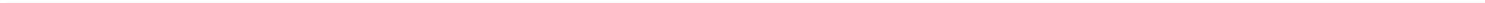
**Some evidence of overbuilding**

# The economics of overbuilding

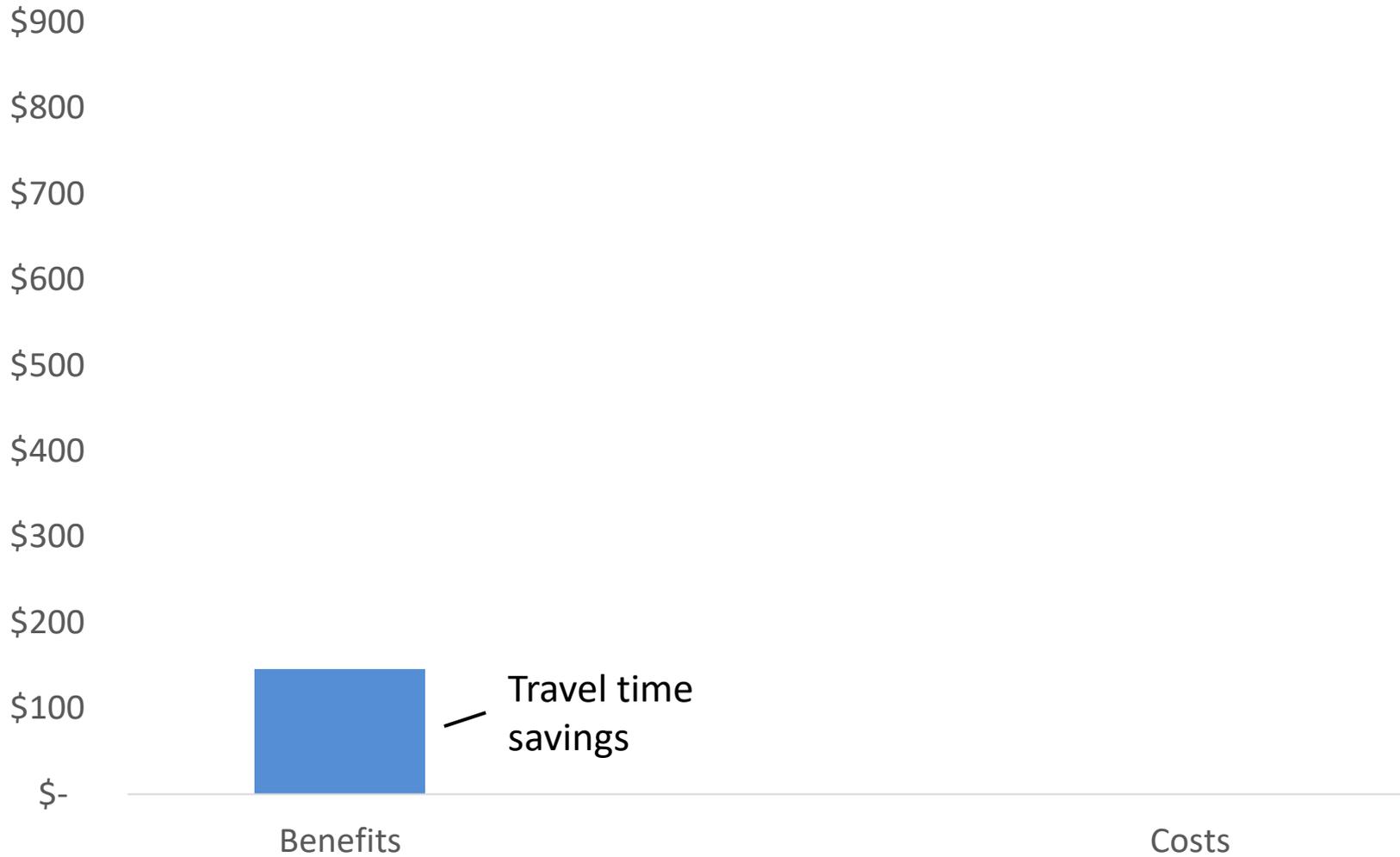
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Benefits

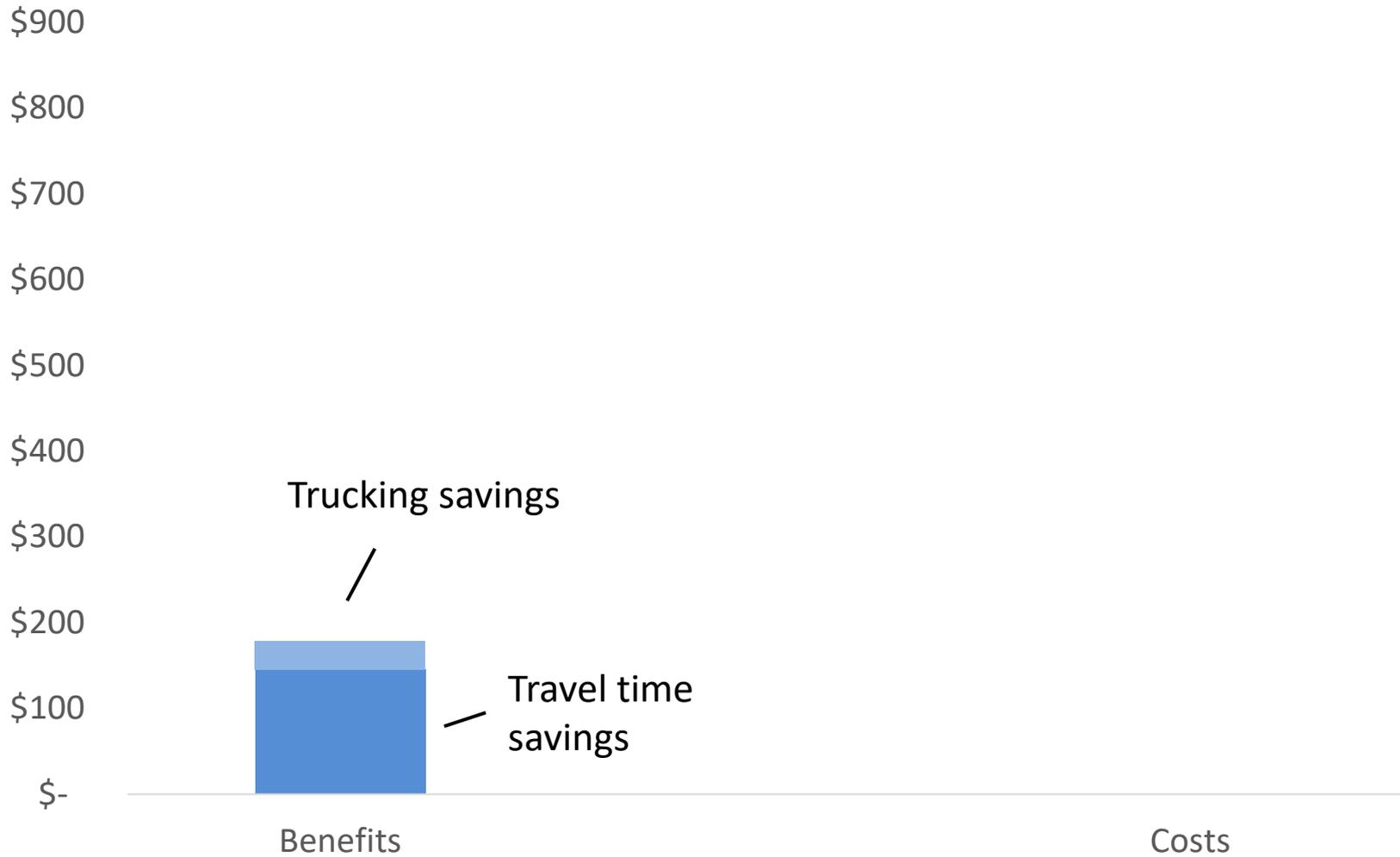
Costs



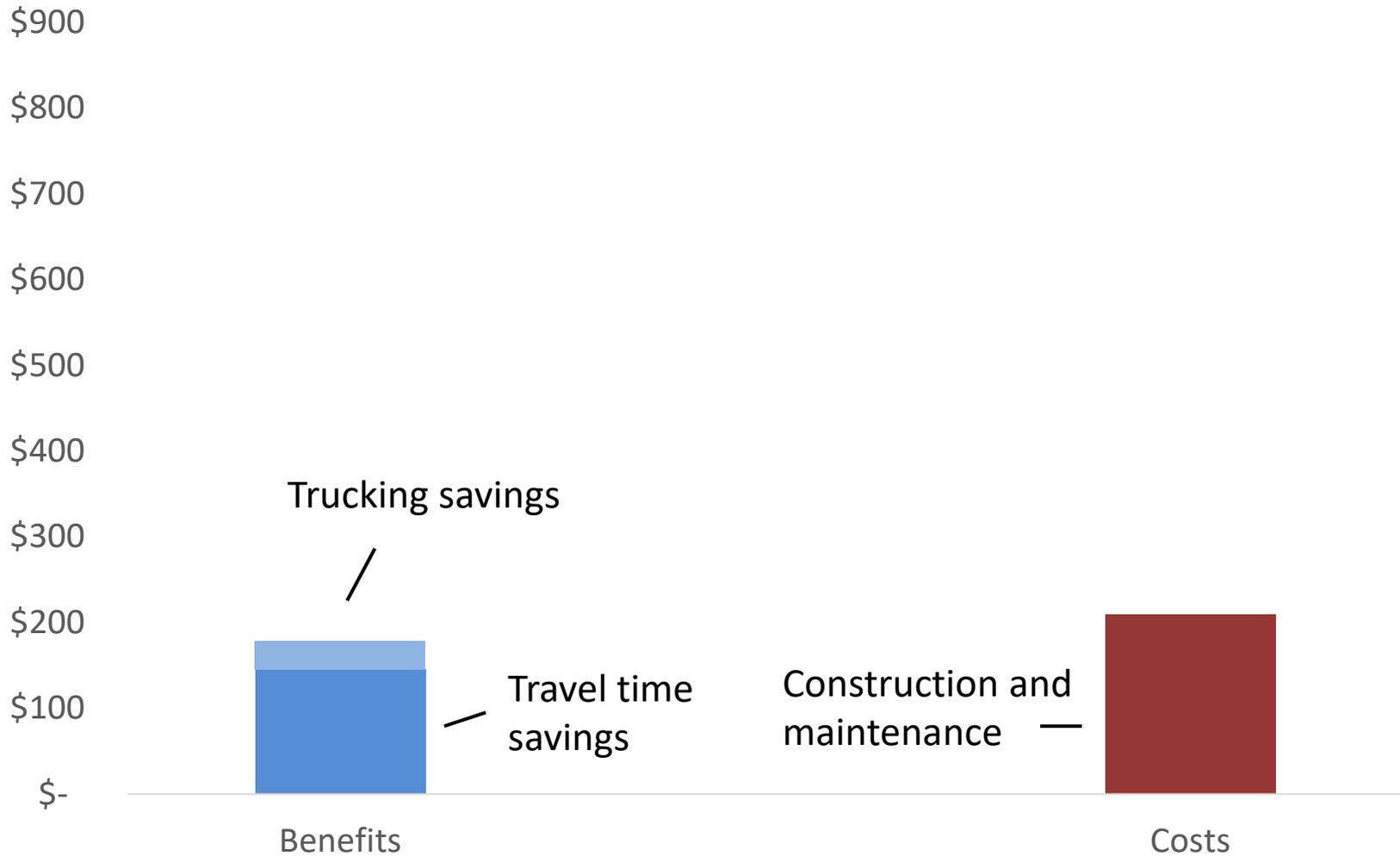
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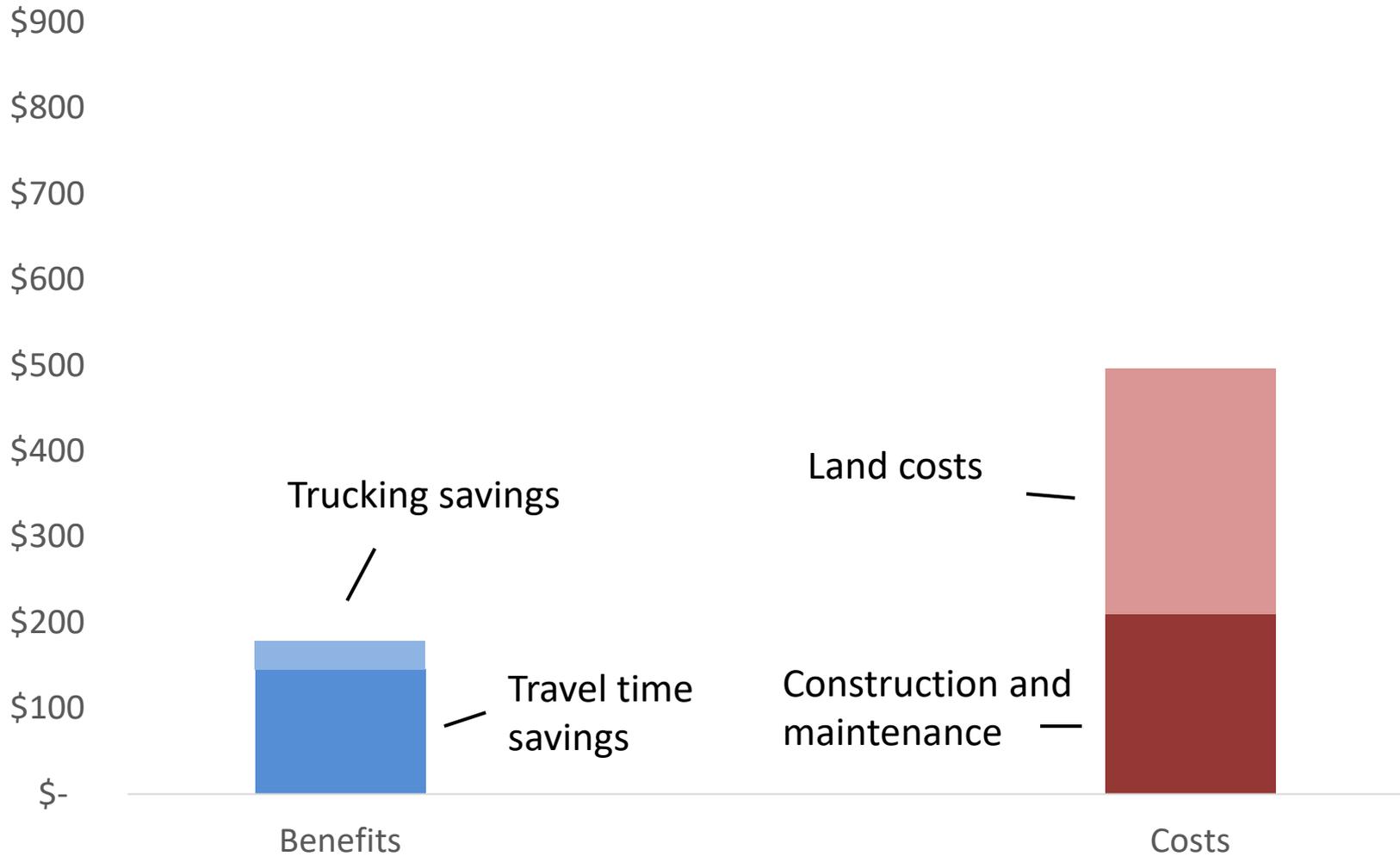
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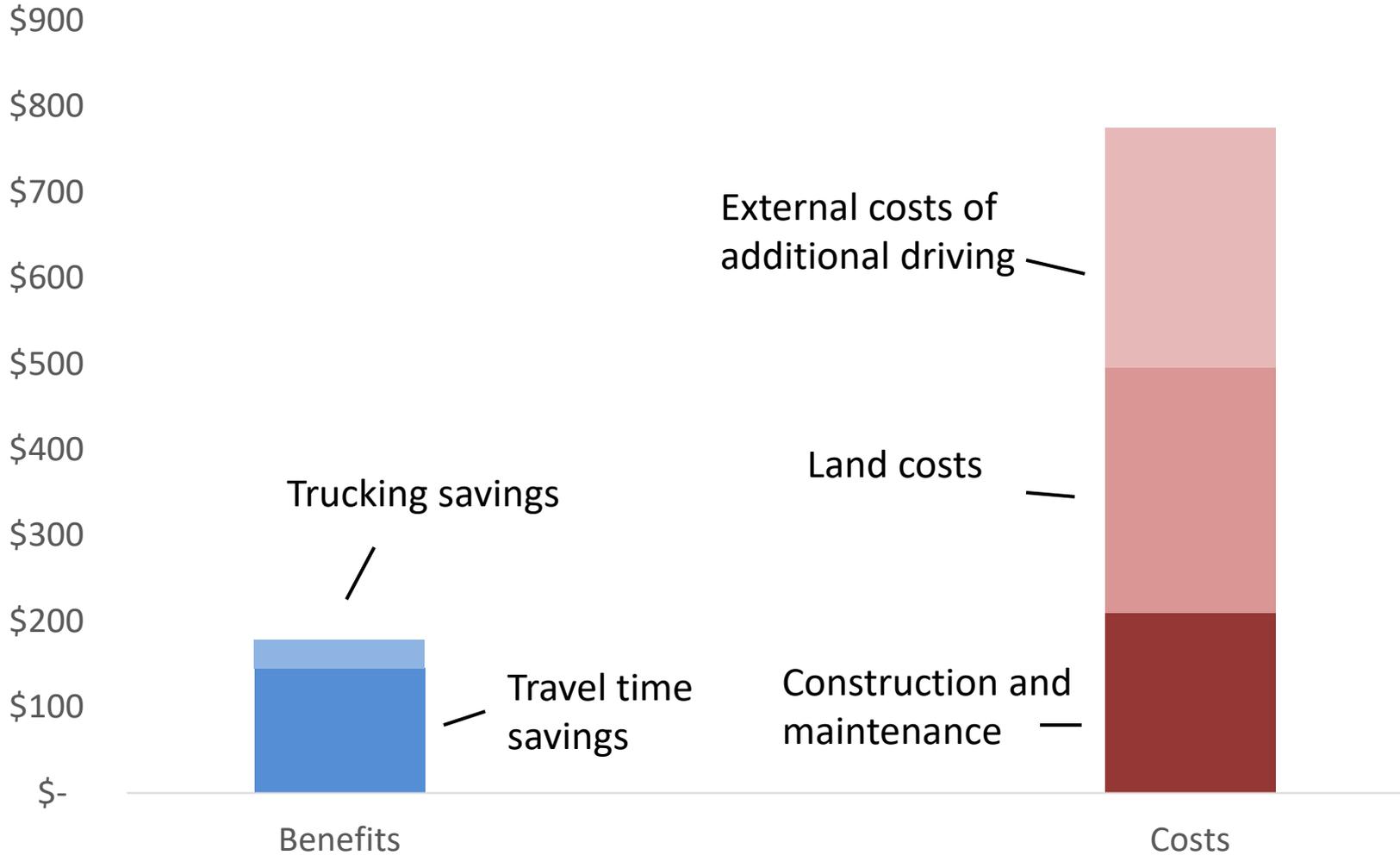
# The economics of overbuilding



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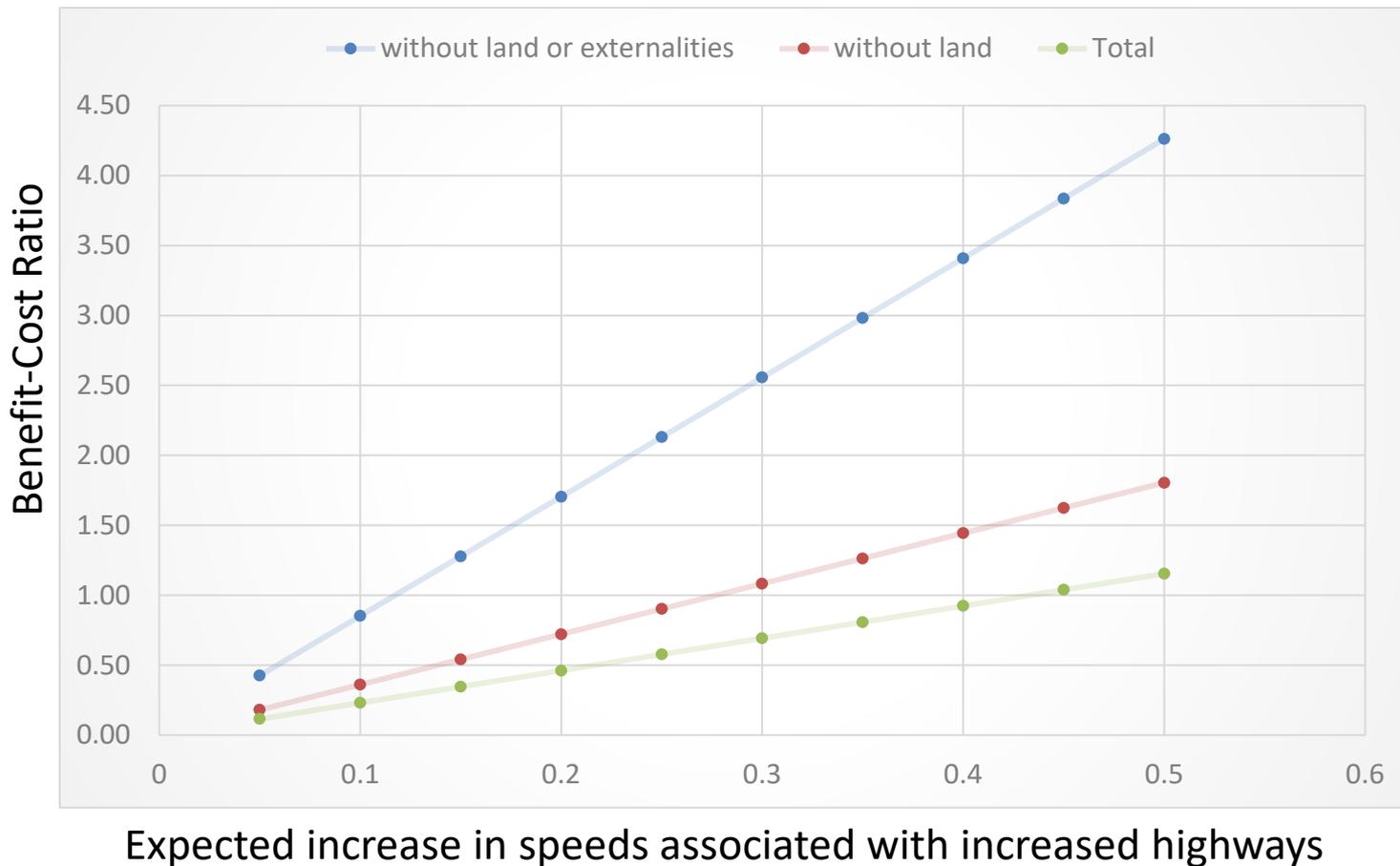
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# The economics of overbuilding

- Motor vehicle taxes only covered about a third of the costs of the roadway system (Vickrey 1963)
- Marginal costs of new highways probably higher than benefits (Wheaton 1973).
- Construction costs of urban interstate highways twice that of the benefits on average (Duranton & Turner, 2011)

# The role of travel times savings

The extent to which highways increase speeds is fundamental to their estimated benefits



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THANK YOU

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