

Protecting Investments As You Age

The Rise Of The Machines

Hidden Profits With Big Data

AdVoice: A Tale Of Three Burgers

Free Issue >



**Mark Bergen**, Contributor

I spot and scrutinize trends in urban policy.

+ Follow

WASHINGTON | 10/17/2011 @ 10:16AM | 154 views

# Opposition to Gas Tax Hurts Business

+ Comment now

Two posts jumped out this morning. The first is from Daryl Dulaney, president and CEO of Siemens Industry, [who pleads](#) for national investment in infrastructure:

“ Many argue that business should make infrastructure investments that support its success. We agree. But we are also in a position to be able to agree. As a \$100 billion company can make those kinds of bets. Not many others could shoulder this burden on their own. Even we can't do it everywhere or in every instance.

That's why public investment in infrastructure is important. Multinational corporations consistently list infrastructure as one of their top four concerns when determining where to build a new facility.

And the second is from Wendell Cox, who pulls figures from the 2010 American Community Survey to show that, over the past decade, [solo commuting is way up](#):

“ In view of the much higher gasoline prices that prevailed in 2010, it might have been expected that driving alone would lose market share from 2000 (Figure 1). But this did not—despite many media and academic claims that would or was already taking place—occur.

I haven't dug through the entire ACS data pool, but I'll trust Cox's figures are accurate. It'd be nice if he offered some support for these “media and academic claims.” And it's fairly obvious that he hasn't seen this chart, or he simply ignored it:

2

Share

2

Tweet

0  
+1

1

Share

0

reddit

33

Submit

## Most Popular

NEWS People Places Companies

**Dropbox: The Inside Story Of Tech's Hottest Startup** +65,877 views

**'Take This Lollipop' And Get Your Very Own Creepy Facebook Stalker** +12,597 views

**How Dropbox Will Die** +11,267 views

**Paul Graham, Dropbox And The Single Founder Exception** +10,173 views

**Apple Unveils the iPhone 4S, AKA the "iPhone Rehash Edition"** +9,000 views

+ show more



**Mark Bergen**  
Contributor

+ Follow

I watch city things. After stints as an organizer in L.A., Minneapolis and NYC, I worked as a researcher for TPM and covered politics and culture for **Tablet Magazine**. I've written about religion for a **few places**, and I drop some gems for **The Awl**. I co-founded **City Ledes**, an urban policy newsletter. And I am completing a masters in

+ show more

*The author is a Forbes contributor. The opinions expressed are those of the writer.*

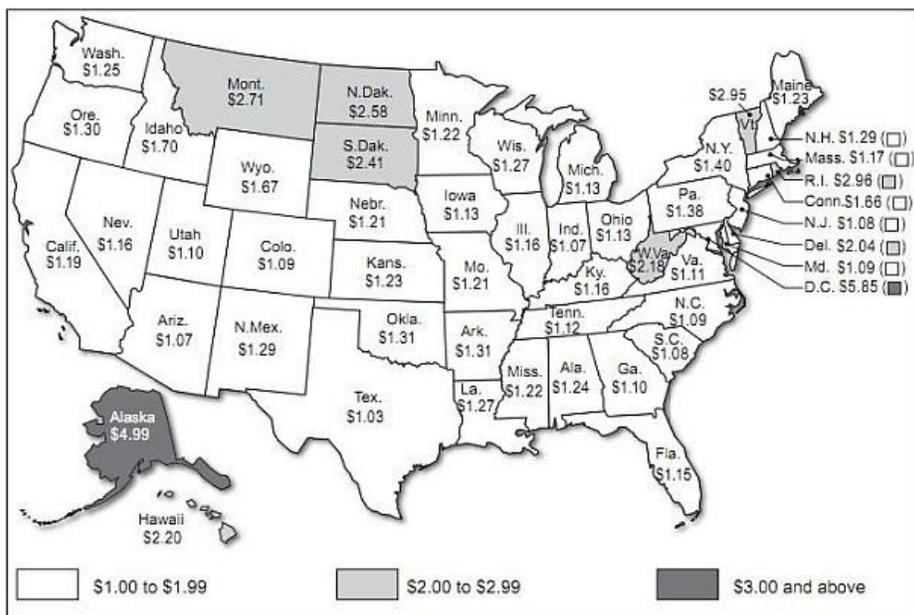
### MARK BERGEN'S POPULAR POSTS

**S&P Drags Cities Into the Brave New World**  
4,078 views

**A Sad End for Stephen Goldsmith** 2,574 views

**Occupy Wall Street Turns Violent, With Apparent Police Abuse (VIDEO)** 1,389 views

**Obama Rental Plan May Work In Some Cities, But**



This figure, from the [latest GAO report](#), pinged [around the web](#) last week. It shows, quite clearly, that every U.S. state gets more in highway funds than they give back in federal gas taxes. If we think of the highway subsidy as a sort of negative tax, which we should, then the explanation for the trend Cox spots is equally clear: people are driving more because they are paid more to do it.

Cox does tease out some interesting findings about a decline in carpooling. But here's the thrust of his policy argument: "There has been no sea-change in commuting, even with the huge gasoline price increases."

Factor in gas taxes, however, and this statement reads like an inflation scare tactic. It's simply not true. Here's a [good summary](#) of the reality from a *Times* editorial:

“ Excise taxes on motor fuels account for nearly nine-tenths of the \$37 billion trust fund. The fund has lately required annual infusions from the Treasury Department to break even, and its obligations are growing. The gas tax has not increased since 1993, and its buying power, accounting for inflation, is now only 11 cents. Meanwhile, Americans are driving many more miles, placing greater stresses on the highway system.

When state taxes are added in, Americans pay, on average, about 43 cents per gallon in taxes — or about one-eighth the total price at the pump. That's still a bargain compared with other industrial countries. Across Europe, drivers pay twice what Americans do at the pump — and well over half of that is taxes. In Britain, the tax bite is more than \$4 a gallon, or 10 times what Americans pay.

And Ryan Avent shows, with the same ACS data Cox uses, that the ballooning of highway funds [hasn't eased](#) U.S. commute times.

Earlier last week, Cox [warned against](#) a gas tax hike in Maryland, suggesting

Not In All of Them 1,315 views

Muniball: Michael Lewis Takes a Swing At Municipal Bonds 1,156 views

MORE FROM MARK BERGEN



## Mark's News Stream

Show all activity (20)

### Comment 1 day ago



Aha! Totally unintentional [...]

on [If Twitter Won't Work, Maybe Cincinnati Should Let Chiquita Go](#)

### New Post 1 day ago



[If Twitter Won't Work, Maybe Cincinnati Should Let Chiquita Go](#)

### New Post 2 days ago



[Opposition to Gas Tax Hurts Business](#)

### Headline Grab 2 days ago

[The American Commute Sucks](#)  
www.economist.com



that the state move more cautiously in its transit funding. The U.S. Conference of Mayors also [came out against](#) a gas tax increase, but for a different reason—they demanded that Federal resources first be redirected from highway projects to city projects.

I understand their objection, and agree that transit funding needs to shift from its [anti-urban bias](#). But, realistically, that probably won't happen anytime soon. For now, the gas tax is the main vehicle for infrastructure investment. Any resistance to adjusting the gas tax to where it should be is just going to hurt Dulaney's hopes for business.

[+ Comment now](#)

RELATED POSTS:

- [Steve Forbes Interview: Robert Kleinschmidt, Contrarian Investor](#)
- [A New Study Takes The Wind Out Of Wind Energy](#)

[f Share](#) 2  
 [Tweet](#) 2  
 [in Share](#) 1  
 [+1](#)  
 [Submit](#)  
 [reddit](#)

[Email](#)  
 [Report Corrections](#)

# More on Forbes Right Now

FEATURES



**Apple's Siri: "The Culmination of Steve Jobs' Legacy"**



**How The "E-Cat" Might Change The Energy World**

TODAY'S MOST POPULAR



**Dropbox: The Inside Story Of Tech's Hottest Startup**

+65,877 views



**'Take This Lollipop' And Get Your Very Own Creepy Facebook Stalker**

+12,597 views



**How Dropbox Will Die**

+11,267 views

ACTIVE FORBES TOPICS



Gear



Mobile



CIO Network



Stocks

# Post Your Comment

**Log in to post a comment**

Username:

Password:

Lost your password?

Remember me

[Log in](#)

**Don't have an account?**

**[Join Forbes Now.](#)**

## The Forbes 400

[World's Billionaires](#)

[Celebrity 100](#)

[World's Leading Companies](#)

[more +](#)

The Forbes 400 is the definitive list of wealth in America, profiling and ranking the country's richest citizens by their estimated net worths.

[View complete list »](#)



## Photo Galleries and More



The Evolution Of Google



Special Feature: Human Ingenuity



[Gallery:](#) How To Complain To Customer Service And Win



The Most Valuable NFL Teams



[Gallery:](#) Animation Stars Who Earn Big Money

[Home](#) | [Business](#) | [Investing](#) | [Tech](#) | [Entrepreneurs](#) | [Op/Ed](#) | [Leadership](#) | [Lifestyle](#) | [Lists](#) | [Forbes Conferences](#) | [Newsletters](#) |

[Advertising Information](#) | [Self-Serve Advertising](#) | [Reprints/Permissions](#) | [Terms, Conditions and Notices](#) | [Privacy Statement](#) | [Contact Us](#) | [Sitemap](#) | [Help](#)

© 2011 Forbes.com LLC™ All Rights Reserved

**Forbes**  
RUSSIA

**Forbes**  
POLAND

**Forbes**  
România

**Forbes**  
福布斯

REAL  
CLEAR  
POLITICS

REAL  
CLEAR  
SPORTS

REAL  
CLEAR  
MARKETS

MAGAZINES

Distributed by



Tested by



Market data by



xignite

quotemedia



AdChoices



[Free Trial Issue](#)  
[Subscriber Services](#)  
[Buy Back Issues](#)