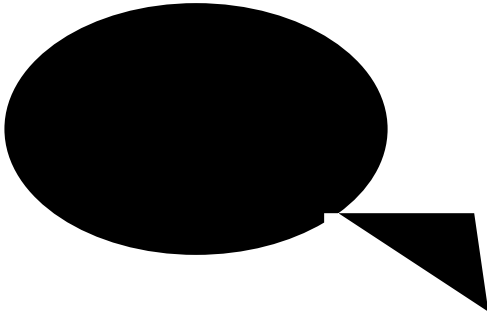




Stunning news from the White House: we actually have a US president who understands the connection between land use patterns and energy use. Obama's stimulus bill was weak on spending for transit projects (as opposed to highway projects). But that was because it was a bill about jobs, and more highway projects just happened to be ready to go to create immediate work for people.

The upcoming transportation re-authorization bill, however, will give the new president an opportunity to dramatically change our nation's transportation priorities. Right now the federal government will cover approximately half of the capital costs of urban transit projects, compared to close to ninety percent for highways. Back in the 1970s, it used to be 80% federal and 20% state and local, so the federal subsidies have fallen off substantially. In his [wide-ranging interview](#) aboard Air Force One, Obama hinted at his transit plans. Here's the money passage (and put down your coffee if hearing a President make sense easily startles you):

I would like to see some long-term reforms in how transportation dollars flow, and I'll give you just a couple of examples. I think right now we don't do a lot of effective planning at the regional level when it comes to transportation. That's hugely inefficient. Not only does it probably consume more money in terms of getting projects done, but it also ends up creating traffic patterns, for example, that are really hugely wasteful when it comes to energy use. If we can start building in more incentives for more effective planning at the local level, that's not just good transportation policy, it's good energy policy. So we'll be working with transportation committees to see if we can move in that direction.

Supposedly one of the tools Obama is planning to employ is to change the funding ratios for highways and transit projects. So the critical question now is if environmentalists, labor unions and business interests can form a national coalition to support this effort and overcome the highway lobby. And if that happens, we'll all need to put down our coffee cups.