

# Opinion

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## A capital budget for feds would help secure bridges, save lives

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How many more bridge failures and other events traceable to human error must we endure before realizing that our federal government is playing a deadly game of chance with our nation's aging infrastructure? There are 607,363 bridges in America and thousands of other important infrastructure assets such as dams, steam pipes, and electrical systems that can collapse at any time because we are not properly maintaining and replacing them when necessary. That's because too many of our elected officials are focused more on the short-term political objective of getting re-elected than on replacing our crumbling infrastructure on their watch. I believe that we can begin to change this selfish and myopic behavior by implementing structural changes in budgeting and accounting for long-term federal expenditures. In particular, we need a capital budget to plan, finance, construct, and maintain our nation's massive infrastructure.

I am not an engineer and can say little about structural deficiency, useful lives, and the cost of replacing long-term assets. But as one of the very few certified public accountants who has served in the U.S. Congress, I witnessed first-hand the struc-

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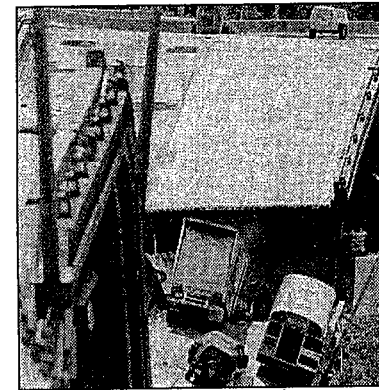
tural deficiency in our budgeting, accounting, and reporting process, which fails to adequately distinguish short-term operating expenses from long-term infrastructure expenditures.

Today, 37 states have a capital budget, while the federal government lumps all of its expenditures annually, big and small, into one big appropriations and spending pot. The result is that infrastructure projects like dams and bridges that may have a useful life of 50 years or more become politically enmeshed with annual budget deficits and biennial partisan electoral politics.

A capital budget for major asset expenditures differs from a budget for annual operating expenses in that it recognizes that certain public investments — like the bridge that recently collapsed in Minneapolis — yield a stream of benefits over

a long period of time and should be paid for over that same period by those who use them. A capital budget would allow facilities with long lives to be capitalized as assets on the books of the federal government and then depreciated or amortized annually over their useful lives. Infrastructure bonds could be issued to finance the cost of such assets and the bonds could be paid off over the useful lives of the assets so that the cost of our nation's infrastructure is allocated fairly to each generation of taxpayers and users.

My wife and I currently live in a condominium development comprised of 130 townhouses. Our little community of retirees, public servants, and private sector employees is basically a "cooperative" and a microcosm of the way that things should work for us in Washington. We depend on our elected board of fellow residents to do the right thing for all of us — to protect and preserve our homes and surrounding infrastructure that we call "common areas." Our board must plan and account for day-to-day operating expenditures, infrastructure maintenance, and even replacement of certain assets such as roads. Our accountants are professional CPAs who are required to get engineering and financial information on the phys-



AP Photo/Morry Gash  
Part of the collapsed I-35W bridge in Minneapolis is shown in an Aug. 3 photo.

ical condition and estimated remaining useful lives of our buildings, roads, waste water pumps, heating, and electrical systems before they can issue a "clean opinion" that gives financial and even emotional comfort to current residents and future homeowners. This should be the way our federal government keeps its books and reports to its citizens, especially since federal agencies like the Securities and Exchange Commission require the private

sector to use such professional accounting standards commonly referred to by CPAs as "generally accepted accounting principles" (GAAP).

Even the Highway Trust Fund, which is separately funded by an 18.3-cent federal tax on gasoline, is not properly sequestered and probably not adequately funded under our federal government's current unified budget system. The latter lumps everything into one big spending pot vulnerable to "earmarking" for pet projects by many elected officials. This allows short-term, politically motivated schemes to drain needed funds from our nation's long-term infrastructure requirements. Until "we the people" realize that Washington's budget and appropriations process is not serving the public interest and remove elected officials who fail to comply with the accounting rules that government imposes on the private sector, we can expect more manmade (but preventable) catastrophes anywhere in the U.S., to which no American will be immune.

The writer, an Ossining resident, served in Congress from 1985 to 1989 and is the author of "Unaccountable Congress: It Doesn't Add Up."