



STUDY GUIDE

WHY CAN'T AMERICA FILL A POTHOLE?

KEY TERMS: infrastructure environmental activists labor unions
adversarial legalism environmental impact study regulated

NOTE-TAKING COLUMN: Complete this section <u>during</u> the video. Include definitions and key terms.	CUE COLUMN: Complete this section <u>after</u> the video.
<p>What two groups prevent the U.S. from having better infrastructure?</p> <p>How many pages of environmental studies and how many years of environmental review did it take to raise the Bayonne Bridge in New Jersey?</p> <p>How many of the East Side Access workers were found by an investigation to be paid to do nothing?</p>	<p>In what ways do environmental activists keep the U.S. from having good infrastructure?</p> <p>In what ways do labor unions keep the U.S. from having good infrastructure?</p>

DISCUSSION & REVIEW QUESTIONS:

- At the beginning of the video, Mr. Smith contends that, “From left-wing Democrat to right-wing Republican, everyone loves infrastructure. We all want safe bridges, smooth roads, and world-class airports. So, why can’t we have them? Why are America’s bridges falling down, our roads riddled with potholes and many of our major airports dilapidated? Why can’t the United States build or repair infrastructure like European and Asian countries do?” How would you answer Mr. Smith’s questions? Explain.
- Later in the video Mr. Smith explains that, “[The Keystone Oil Pipeline project] is a case study of what Brookings Institute scholar Robert Kagan calls ‘adversarial legalism:’ environmental reviews of every aspect of every public improvement. In a given year, the federal government produces 50,000 Environmental Assessments. Individual states and cities add thousands more.” What, essentially, do you think Mr. Kagan means by the term ‘adversarial legalism?’ Why do you think that the Left uses adversarial legalism as a tool to slow or stop the improvement of infrastructure in the U.S.? Explain.
- Mr. Smith points out that, “Americans like to think of themselves as more free-wheeling and less regulated than European and Asian countries, but when it comes to infrastructure this just isn’t true. Europe and Asia don’t have the redundant layers of city, state, and federal bureaucracies that we do. As a result, their ideas get proposed, approved, and built in the time it takes us to agonize over a single environmental impact study. And, to add insult to injury, their roads, bridges, subways, and airports are much cheaper to construct.” How, specifically, does having multiple government agencies to contend with negatively impact infrastructure projects? Do you think that multiple government agencies should be involved with most infrastructure projects? Why or why not?
- Mr. Smith goes on to ask, “Why is everything so expensive to build in the US? Enter the labor unions. Their motto seems to be: Work slowly and charge more. Sometimes: ‘Don’t work at all.’ ...an investigation of East Side Access construction found that roughly 200 of 900 workers on the underground project were being paid to do nothing.” In what ways, specifically, do you think labor unions drive up the cost of building infrastructure in the U.S.? How do you think that the unions are able to negotiate a deal whereby workers don’t even have to do any work? Why do you think that labor unions don’t care about driving up labor costs on infrastructure projects? Explain.
- At the end of the video, Mr. Smith concludes that, “Americans are living in a 20th century infrastructure world. We can’t build a 21st century one. The unions and environmentalists won’t let us.” Considering how difficult unions and environmental activists make building infrastructure, do you agree with Mr. Smith’s contention at the beginning of the video that we all want safer bridges and smoother roads, or do you think that these two groups don’t actually want the U.S. to have good infrastructure? Explain. Do you agree with Mr. Smith’s contention that the unions and environmental activists won’t allow the U.S. to have modern infrastructure? Why or why not?

EXTEND THE LEARNING:

CASE STUDY: The East Side Access Project

INSTRUCTIONS: Read the article “How New York City’s subway construction costs got so high,” then answer the questions that follow.

- What did the *New York Times* investigate? What were the primary sources of that investigation? What three factors did the investigation expose as contributors to driving the cost of construction in New York up? What did an East Side Access project accountant discover? How much were some employees being paid to do nothing? What are some of the other reasons that construction costs in New York are so bad? Who does the *New York Times* blame for excessively high ‘soft costs’?
- How do you think that labor unions and government agencies became so powerful that persons could get paid a thousand dollars a day for doing nothing? Explain. Do you think that doing away with labor unions and most government bureaucracy would improve the conditions for building infrastructure in New York and elsewhere? Why or why not? Do you think that Leftists, including many Democrat politicians in New York, who self-identify as ‘progressive’ are hypocritical for stifling the progress of modern infrastructure? Why or why not? Which specific points made in the video are supported by evidence in the article?
- Do you wish to see the U.S. have safer bridges, smoother highways, etc...? Why or why not? How would you approach attempting to improve how infrastructure projects in the U.S. get done? Explain.



QUIZ

WHY CAN'T AMERICA FILL A POTHOLE?

1. Two groups that prevent the U.S. from having better infrastructure are _____.

- a. taxpayers and legal analysts
- b. environmental activists and labor unions
- c. Antifa and the #MeToo movement
- d. the Russian government and the European Union

2. Why did it take around 20 years for the dredging project in Oakland Harbor to be completed?

- a. Because of fluctuations in the economy.
- b. Because of natural disasters.
- c. Because of legal and environmental challenges.
- d. Because the equipment kept breaking down.

3. Everything is so expensive to build in the U.S because of labor unions.

- a. True
- b. False

4. Out of 900, how many East Side Access construction workers were paid to do nothing?

- a. roughly 20
- b. roughly 80
- c. roughly 140
- d. roughly 200

5. The Green Line extension of the light-rail in Boston is set to cost _____ per mile.

- a. 530 million
- b. 430 million
- c. 330 million
- d. 230 million



QUIZ - ANSWER KEY

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<https://ny.curbed.com/2017/12/29/16829746/mta-nyc-subway-construction-costs-investigation>

How New York City's subway construction costs got so high

The inflation is off the charts

By Amy Plitt@plitter Dec 29, 2017, 2:59pm EST



Workers stand in a tunnel in the East Side Access project. Photo by Spencer Platt/Getty Images

If you need something to make you even *more* enraged at the MTA than you probably already were this year, well, here it is: *The New York Times* dropped a doozy of an investigation into the MTA's construction costs, and it's ... illuminating, if we're being charitable; enraging, if we're being honest.

The fact that the MTA's construction costs are high, particularly when compared to those of other cities around the world, is not new; journalist and Curbed contributor Alon Levy has been covering that beat for some time now. But the *Times* investigation, which came from dozens of interviews with experts in and outside of the MTA, lays bare the bureaucratic inefficiency, red tape, and corruption that drives these costs up.

The piece, by Brian Rosenthal, starts with an anecdote about East Side Access, one of the agency's capital construction projects, that sets up what's to come. An accountant discovered that while 900 workers were employed, only 700 had jobs to do. "Officials could not find any reason for the other 200 people to be there," per the *Times*—and they were being paid \$1,000 per day to do nothing.

It gets worse from there. Here are some of the reasons that things have gotten so bad:

Overstaffing

The *Times* got its hands on documents that show deals brokered between the MTA and labor unions for jobs like East Side Access, and according to the paper, they “reveal a dizzying maze of jobs, many of which do not exist on projects elsewhere.”

Or, more specifically:

In New York, “underground construction employs approximately four times the number of personnel as in similar jobs in Asia, Australia, or Europe,” according to an internal report by Arup, a consulting firm that worked on the Second Avenue subway and many similar projects around the world.

The *Times* also pointed out that trade unions, which staff subway construction projects, have plenty of political clout—per their investigation, “unions working on M.T.A. projects have donated more than \$1 million combined to Mr. Cuomo during his administration.”

Lack of competition

This quote pretty much sums it up:

“In other cities, you get eight bids for projects,” said Gary Brierley, a consultant who has worked on hundreds of projects in the last 50 years, including the No. 7 line extension and the Second Avenue subway. “In New York, you get two or three, and they know that, so they’ll inflate their bids if they think they can get away with it.”

Political pressure

That’s not the only way contractors drive up costs, though—the *Times* spoke with more than a dozen MTA contractors, who explained:

First, the contractors said, the vendors add between 15 and 25 percent as an “M.T.A. Factor” because of how hard it can be to work within the bureaucracy of the transit authority. Then they add 10 percent as a contingency for possible changes. And then they add another 10-12 percent on top of all that for profit and overhead.

And then there’s this...

More than a dozen M.T.A. workers were fined for accepting gifts from contractors during that time, records show. One was Anil Parikh, the director of the Second Avenue subway project. He got a \$2,500 ticket to a gala, a round of golf and dinner from a contractor in 2002. Years later, shortly after the line opened, he went to work for the contractor’s parent company, AECOM. Mr. Parikh and AECOM declined to comment.

So-called “soft costs”

The *Times* defines these as non-construction aspects of larger projects—things like project managers, or preliminary design. For the Second Avenue Subway, those costs were around \$1.4 billion; for East Side Access, they’ll be an estimated \$2 billion. The problem? That’s way higher than other major cities.

And as the *Times* notes, the MTA is to blame for this. The agency hired the same engineering firm, WSP USA, for both projects; thanks to the number of former MTA employees that are now on its payroll, it's garnered the nickname "the M.T.A. retirement home." The agency is also guilty of "struggling to coordinate between vendors, taking a long time to approve plans, insisting on extravagant station designs and changing their minds midway through projects."

As a point of comparison, the *Times* used an extension of the Paris Metro, called Line 14; where the Second Avenue subway's first phase cost \$2.5 billion per mile, Line 14 only cost \$450 million per mile. The difference? Doing basically the opposite of everything laid out in the *Times* piece.

What happens next? That remains to be seen. The *Times* quoted MTA chairman Joe Lhota as saying "we recognize this has been a problem. We're never going to deny history... This is an issue that needs to be addressed. It needs to be attacked." But MTA officials were also quick to defend the state of things, or deflect when questioned about these issues.

There are plenty of critical takes on Twitter, too, including many trenchant ones from Second Ave. Sagas's Ben Kabak:

Based on this article in which denials and obfuscations are the norm, I'm not optimistic these problems are on a path toward resolution, but this city and any rational (and badly needed) transit expansion plans are in limbo until they are.

— Second Ave. Sagas (@2AvSagas) December 29, 2017