

Discussion of
“Infrastructure
Costs” by Leah
Brooks and Zachary
Liscow



Karen Dynan

Harvard University

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Contribution

This paper is important even just based on its data collection

The authors have put forward an impressive *careful* effort

In my experience in DC: the quality of infrastructure policy conversation was not as high as for other policy areas because there was so little evidence to work with

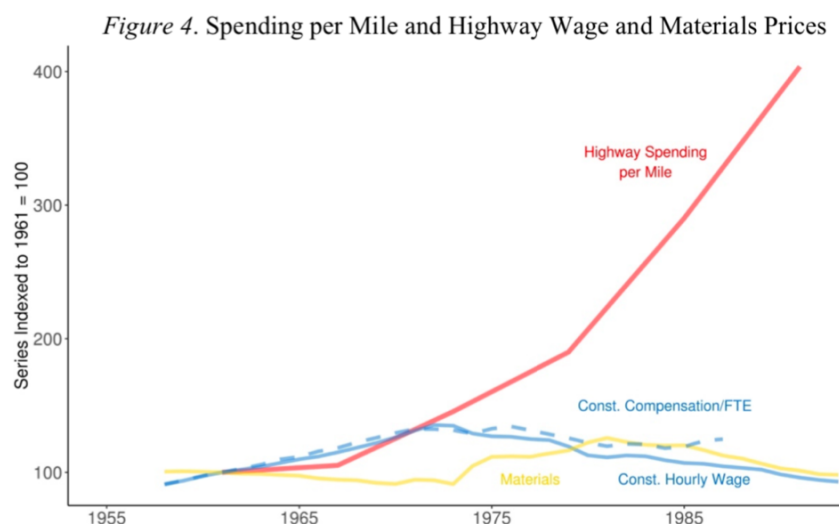
BUT ALSO: The paper documents a huge rise in the cost of building highways, and it presents a far-reaching analysis of why the increase might have occurred

My discussion

1. Some specific comments on the analysis
2. What should policymakers conclude from this paper and what additional work in this area might they find useful

Specific comments on the analysis

Key graph in paper



Stunning increase in the (real) cost of building a mile of highway

Not explained by roads completed later being inherently harder to build

Little can be accounted for by changes in per-unit cost of inputs

Don't know what explains the rest but rising incomes and housing prices nearly completely "statistically explain" the increase

Specific comments on the analysis

STORY DOESN'T *FEEL* VERY SATISFYING—it's really hard to understand what exactly we spent all of this money on

How compelling is income and home price evidence?

Potential for causality to go both ways => think Tysons, VA



How compelling is anecdotal evidence?

[NAS](#) (2003) on the Big Dig—\$1.8B of unplanned expenses to “ameliorate negative impacts” but out of \$12B total unplanned

Specific comments on the analysis

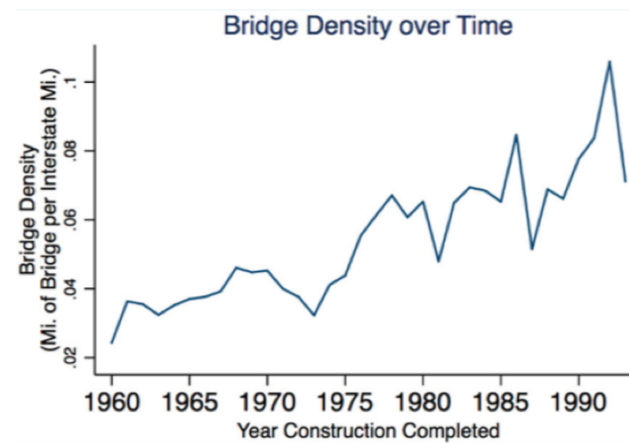
Demonstrating a causal story will be tough, but I encourage the authors to think more about it

Maybe more case studies?

Maybe more talking to experts involved in the decisions?

Other possibilities?

For example, what are all these bridges about?



Policy issue 1: Welfare implications

Is this a story of failure or success?

One interpretation—we suffer from paralyzing veto power and resulting waste

Another interpretation—our system is good because it produces ways to compensate the “losers” when highways are built

Economists love to talk about compensating losers but we aren't always good at devising ways to do this in practice (e.g. with international trade)

Maybe all this haggling over additional amenities moves us in the right direction

Policy issue 1: Welfare implications

Distinguishing between these interpretations is really important for making policy decisions

But how do you do it?

One idea—apply other methods for assessing whether these extra amenities have high social value

Lots of existing technocratic analysis about whether building particular things is worthwhile

The image shows the front cover of a report. It has a white background with a blue border. The title is in bold black text. Below the title, it says 'Prepared for:' followed by the name of the department and the grant application.

**Benefit-Cost Analysis of the
Hwy 6 / Hwy 10 Interchange
Improvements**

Prepared for:

**Rhode Island Department of Transportation
2016 FASTLANE Grant Application**

Policy issue 2: Role of citizen voice

Paper highlights the need for more thinking in this area

An interesting policy question is what institutions empower citizens; understanding this may reveal levers that allow us to get more done (without ignoring citizens' views)

What can we learn from other countries?

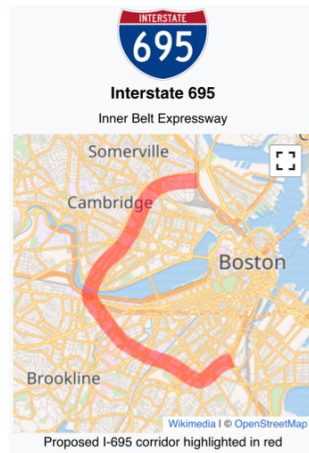
They saw similar rises in income and presumably similarly growing concern about the environment and other social considerations

Did they avoid the same cost run-up, as is commonly thought?

If so, what institutions contributed to the difference?

Policy issue 2: Role of citizen voice

Can we learn more by looking at the parts of the interstate highway system that were planned but didn't get built?



Connecting to the political science literature on citizen voice would also be helpful

Policy issue 3: Applicability to other forms of infrastructure

Much of the griping these days focuses on obstacles to building other types of infrastructure

*For example, [Barro](#) (2019),
New York magazine*

URBAN PLANNING | MAY 30, 2019

Why New York Can't Have Nice Things It costs three times more to build a subway station here than in London or Paris. What if we could change that?

By Josh Barro

Mass transit is well outside the scope of this paper but are there things we can learn from the paper that apply to mass transits? Are the primary underlying issues (desire for more amelioration as income rises) the same or different?

Summary

Really liked this paper

It's going to be really useful for elevating the policy conversation around infrastructure

Would love to see these authors and others build off of it to deepen the policy conversation yet further