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Five Ways The Biden Administration May Affect U.S. Transportation.

With a new President comes new priorities and direction, and the Biden administration will hit the ground running in January. The Federal Government makes policies that affect how goods and people move, so it is likely that changes in how this happens are afoot. Here are five ways that a Biden administration will likely affect U.S. transportation policy:

Increased Government Spending

Most presidents have liked to spend money, but a Biden presidency will likely encourage the lame duck session to pass a stimulus package that in part would help the airlines again. More importantly, a Biden administration is likely to drive a true infrastructure bill that could have positive impacts on airports and air traffic control at least. Of course highways and rail can benefit as well, and perhaps drone technology too. Our economy needs people and goods to move freely and efficiently, and thus any infrastructure spend would be focused on making this happen while improving safety for consumers.

Amtrak Stays On Track

“Amtrak Joe” has been a life-long supporter of the National Passenger Rail Service, and has spoken often of the efficiency of trains. While I wouldn’t expect a Biden administration to favor trains over airplanes for most intercity travel, I would expect major funding to Amtrak to allow the railroad to invest in its rolling stock, trackage, and fund longer haul train losses. Any talks of privatizing Amtrak will likely be squashed during this presidency, and the leadership at Amtrak will have the strongest possible supporter in the White House.

Federal Minimum Wage Standards Could Raise Local Costs

Federal efforts to raise the minimum wage, already addressed by some states, would help those at the lower end of the pay scales but also raise costs for smaller local transportation operators among others. This possibly could reduce air service to smaller cities, if an increase in the cost of servicing the plane makes the trip uneconomic. More likely, prices to travel by train, plane, and car would increase a bit to cover this higher labor cost. In a highly price elastic market, this would result in somewhat lower demand.

More Regulation

Transportation in the U.S. is highly regulated the areas of safety, licensing, and maintenance. But consumer advocacy focused regulation, active in the Obama administration but quiet for the last four years, may re-appear though airlines will push against this. This could be focused in areas of ancillary revenue charges, seating density, taxes that would be passed through to customers, refund ability, and more. In cars, improved gas efficiency standards could raise the purchase cost of automobiles and trucks. Less likely but perhaps considered would be investment by foreign companies in US airlines or for foreign airlines to fly within the US. Also, as airlines restructure due

to demand losses this administration's views on potential merger agreements will likely change from the current president. It's hard to underestimate the creativity with which regulators will wish to control business, and transportation is ripe for this kind of approach.

Support For Organized Labor

The U.S. Airlines and Railroads are highly unionized industries, and a Biden administration with a more progressive labor agenda will be friendly to collective bargaining. This would have no immediate impact on deals currently in place, but could change the tone of future negotiations. Labor in these areas is governed not by typical U.S. Labor law, but by the Railway Labor Act. This act, meant to reduce disruptions in the national transportation networks, makes negotiations drag out at times and in extreme cases could make a Presidential Emergency Board decision requested to stop a planned work action. Thinking this could happen in four years is not realistic, and yet workers in the national U.S. transportation businesses, like the Amtrak employees, will know they have a president that backs them.

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