

**The
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The transport bill
Just the ten extensions
How not to fund infrastructure

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IT IS
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 half
 years
 since
 the law



governing spending on America's motorways expired. Instead of passing a replacement, as might happen anywhere else, Congress has approved a series of brief extensions of the old law—nine of them, to be exact. It is now haggling over its next move, with a tenth extension (already approved by the House of Representatives) seen as the likeliest outcome. Most of America's politicians seem to agree that this is a dreadful way to manage investment in infrastructure, since it makes long-term planning and contracting all but impossible. It is also something of a puzzle: highway bills normally sail through Congress, since no one wants to antagonise drivers, and most members are eager

to take credit for wider interstate roads and spiffy new bridges in their districts.

The crux of the problem, as always, is money, or rather the lack of it. For decades the country has paid for federal investments in transport with a federal tax on petrol (gasoline). But the tax, of 18.4 cents per gallon, is not indexed to inflation and has not increased since 1993. To make matters worse, Americans are driving less, in cars that use less petrol. The result has been a steady decline in the amount of money set aside for road-building and maintenance (as well as for public transport and for the clean-up of leaks from fuel-storage tanks, both of which get small slices of the petrol-tax pie).

Congress has had to spend \$35 billion since 2008 topping up the "Highway Trust Fund", as the petrol-tax piggy bank is known. But with money short, and parsimonious Republicans in charge of the House, such bail-outs are encountering ever stiffer resistance.

Last year House Republicans proposed cutting spending to the level of the shrinking petrol-tax receipts. But that involved such savage cuts—of about a third—that it put off many congressmen, and would certainly have run aground in the Democrat-controlled Senate.

So the House leaders tried again, unveiling a bill with much milder cuts. As a sop to the party faithful, it included clauses allowing oil drilling in previously protected areas and ending the hypothecation of any petrol-tax revenue for public transport. This, however, upset not only Democrats but also a few green or suburban Republicans. Fiscal conservatives, meanwhile, chafed at the higher price tag. It has not helped that both parties have forsworn "earmarks", which instruct the federal government to pursue congressmen's pet projects—the normal grease in the wheels of spending bills. The last highway bill contained 6,371 of them.

For once, the Senate is a step ahead of the House, having managed to pass a transport bill with bipartisan support. But it too is something of a fiscal fudge, pilfering money from clean-ups of leaking fuel, tariffs and other improbable sources, without completely compensating for the shortfall in the highway fund.

Moreover, the Senate bill has a lifespan of just two years (whereas the House bill has five), in a deliberate effort to skirt the growing cracks in the funding formula. So reconciling the two versions will not be easy.

Even those Republicans who embrace federal spending on highways are unwilling to levy more taxes to pay for it. Most of them reject all talk of increasing the petrol tax, or even indexing it to inflation, says Erich Zimmermann of Taxpayers for Common Sense, a pressure group. And a growing number seem to be suspicious of any federal involvement at all in infrastructure investments, despite the fact that it was a Republican president, Dwight Eisenhower, who created the interstate highway system in the 1950s with large dollops of federal cash.

Republican governors such as Chris Christie of New Jersey, Rick Scott of Florida and Scott Walker of Wisconsin have taken pride in rejecting federal handouts for transport schemes they consider white elephants. What with record low interest rates, idle construction workers and a huge backlog of worthy projects, there has never been a better time to invest in infrastructure. But there has seldom been a worse time to peddle that view in Congress.

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