

Federal government should leave highway funds to states



GUEST COLUMN

Tom Sanderson

The Highway Trust Fund currently takes in and pays out about \$35 billion per year, excluding transfers from the

Treasury General Fund. What started off as a user-fee system to pay for state highway construction and repair has morphed into a large federal "cookie jar" that politicians use to direct money to their favorite causes while our highways and bridges deteriorate at an alarming pace. It's time to take the cookie jar back.

The fund was created in 1956 when our nation launched the successful construction of the Interstate Highway System.

To construct such a massive network of roads, we wisely opted for a user-fee system of fuel and excise taxes that would fund building and maintaining the system. Legislation from 1956 intended the fund to be temporary, expiring in 1972, by which time the system was expected to be largely complete. For a long time, the fund served as an effective mechanism for highway infrastructure investment. Sadly, the fund has become a federal cookie jar with politicians refilling or raiding it whenever it suits their desires.

The first big raid came in 1982 when the Surface Transportation Assistance Act siphoned off a portion of highway user fees to fund a special Mass Transit Account in the fund — the logic being that since mass-transit customers wouldn't pay enough to cover the cost of subways, then noncustomers should foot the bill. In fiscal year 1983, the Mass Transit Account

got 10.3 percent of total receipts, but by fiscal year 2010 that had grown to 13.7 percent of user-fee (tax) receipts. Substantial transfers also took place from the Highway Account to the Transit Account, \$1.4 billion, \$394 million, \$428 million, \$897 million and \$1.1 billion, respectively, from 2006 through 2010. Why are your tax dollars funding subways in New York? Transit is inherently a state or regional solution, not a federal network.

Our current challenge is to repair and maintain our state highways and bridges. That can be done far more effectively by rolling federal fuel taxes into the state tax rates and eliminating the federal role in highway funding. The abuses of the fund have largely occurred in recent years — mainly being used to force states to adopt policies the federal government wants to enforce, but are not clearly within its constitutional author-

ity, such as withholding federal highway dollars to enforce the 21-year-old drinking age and the 55 mph speed limit. Along with that money should come a mandate against the conversion of current interstate highways to toll roads. The interstates are already paid for so tolls should be reserved for new construction only. With the current highway funding extension due to expire on June 30, there will be a push to do something — anything! One approach is to get the federal government out of the highway tax collection and redistribution game and let the states spend the money the way their own citizens (and taxpayers) prefer. Isn't it time to step back and fix this problem for the long term?

Tom Sanderson is CEO of Transplace, a third-party logistics company based in Frisco.