

THE BOND BUYER

Monday, April 7, 2014 | as of 2:10 PM ET

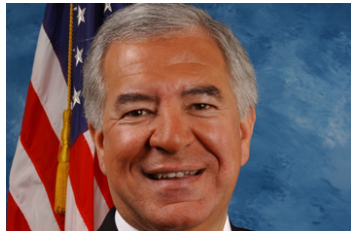
Log in [market data](#)

[Facebook](#) [Twitter](#) [LinkedIn](#) [Google+](#)

[READER CENTER & PAPER](#)

sales results

- [conferences & events](#)
- [special reports](#)
- [my bond buyer](#)



Rep. Nick Rahall

Related Links

[Muni Market Should be Wary of GOP Budget's Take on Tax Reform](#)

[Obama to Send Draft Transportation Bill to Congress](#)

[Current and Former DOT Chiefs Issue Separate Warnings on Transportation Funding](#)

[Bill Would Substantially Reduce Federal Gas Tax](#)

Infrastructure

Rahall Blasts Transportation Proposals in Ryan's GOP FY-2015 Budget Resolution

by [Jim Watts](#)

APR 3, 2014 3:25pm ET

[Print](#)

[Email](#)

[Reprints](#)

[Comment](#)

[Twitter](#)

[LinkedIn](#)

[Facebook](#)

[Google+](#)

DALLAS — Rep. Nick Rahall, the top Democrat on the House Transportation and Infrastructure Committee, is warning that the proposed Republican fiscal 2015 budget "takes a partisan jackhammer" to transportation funding.

The budget resolution, unveiled Tuesday by House Budget Committee chairman Paul Ryan, R-Wis., and approved by the House Budget Committee late Wednesday night would limit expenditures from the Highway Trust Fund to the dwindling revenues generated by the federal gasoline tax. Expected to be put before the full House for a vote next week, it would also eliminate the federal subsidy for Amtrak passenger rail service.

"This proposal takes a partisan jackhammer to our transportation infrastructure at a time when we need to be working together to find ways to rebuild it," said Rahall, who is from West Virginia.

Rahall called on House Republicans to reject the Ryan budget proposal and work with Democrats on increasing spending for transportation projects.

"I ask my Republican colleagues to scrap this dangerous proposal and work across the aisle to develop a bipartisan plan that truly addresses our nation's transportation and infrastructure needs," said Rahall.

The Ryan plan is termed the "Path to Prosperity," but Rahall called it a recipe for disaster. He said it is almost identical to Ryan's fiscal 2014 budget proposal, which was released last year.

"This is budget déjà vu," Rahall said. "Just like last year, this proposal is another road to ruin, not a path to prosperity."

The elimination of Amtrak's \$1 billion a year subsidy would cut passenger rail service to 36 states, Rahall said.

"If you like being stuck in traffic, this budget is for you," he said. "But letting our critical infrastructure investments crumble, along with the jobs and economic activity that have always come with them, does not represent sound budgeting."

The budget resolution would limit federal funding for highways and transit projects to the approximately \$34 billion generated annually by the federal gasoline tax of 18.4 cents per gallon.

"Though the federal-aid highway program was intended to be fully financed by gas tax revenues, the fund has recently operated at spending levels well in excess of gas tax receipts" the summary of the budget resolution said. "The Highway Trust Fund's financing shortfall has been building for years."

The current two-year highway bill, Moving Ahead for Progress in the 21st Century, provided a total of \$105 billion for highways and transit, but required a \$19 billion transfusion from the general fund as gas tax revenue lagged spending. More than \$50 billion has been transferred into the HTF since fiscal 2008 to keep it solvent.

Romina Boccia, a senior policy analyst at the conservative Heritage Foundation, said she likes Ryan's proposal to allow states to opt out of the federal gasoline tax and raise state fuel taxes to support transportation projects.

"Such a reform would empower states and citizens, not Washington bureaucrats and special interests, to solve their transportation challenges that they know best," she said.

Transportation funding in the Ryan budget is insufficient, said Kathleen Bower, vice president of public affairs at AAA Auto Club.

"Ryan's budget plan will not provide an appropriate level of investment necessary to build and maintain the nation's 21st century transportation system," Bower said. "The significant cuts he is proposing will hamper investments in safety, further delay needed bridge improvements, and hamper mobility in and around congested urban areas."

AAA agrees with Ryan that fuel tax revenues rather than general fund transfers should provide predictable funding for transportation projects that take years to design and build, Bower said.

Congress should raise the gasoline tax so that it can fully fund necessary transportation projects, she said.

"The best solution for the near term would be a fiscally responsible proposal, such as increasing the federal gas tax coupled with improved accountability, that adds additional revenue to the Highway Trust Fund and helps make America globally competitive over the long term," she said.

The Ryan proposal would reduce federal spending on transportation by \$172 billion over 10 years and reduce construction employment by more than 186,000 jobs, said Kevin DeGood, director of infrastructure policy at the liberal Center for American Progress.

"The Ryan budget is riddled with roadblocks and speed bumps that curb the essential infrastructure programs that Americans need to support job growth, trade, and the efficiency of our transportation system," he said.

Rep. Chris Van Hollen, D-Md., the top Democrat on the Budget Committee, called the chairman's spending plan "the worst budget for America that we've seen."

Van Hollen dismissed Ryan's contention that the proposal would balance the federal budget in 10 years.

"I know it's April Fool's Day, but I hope no American will be fooled by the false claim that this budget balances in 10 years," Van Hollen said Tuesday. "That is a fraudulent claim."

JOIN THE DISCUSSION

[Comment](#)

SEE MORE IN

[Infrastructure](#)

Comments (0)

Be the first to comment on this post using the section below.

Add Your Comments:

Not Registered?

You must be registered to post a comment. [Click here to register.](#)

Already registered? [Log in here](#)

Please note you must now log in with your **email address** and password.

E-MAIL ADDRESS

PASSWORD

LOGIN

Remember me

Multimedia

- [more videos](#)
- [galleries](#)