



Funding shortage could delay US road, rail projects this summer

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U.S. transportation officials warned lawmakers on Wednesday that dwindling funds for highway and rail projects may cause delays in work this summer during the height of the construction season unless they quickly approve billions of dollars in new funding.

The Highway Trust Fund, which receives money from a federal tax on every gallon of gasoline and diesel fuel sold in the United States, is expected to become insolvent by 2015.

Funding for some programs could fall to dangerously low levels by this summer, forcing the Department of Transportation to delay payments to states, Peter Rogoff, the department's acting under secretary for policy testified before Congress.

(Read more: [Pothole pain: The cost of this winter's pitted roadways](#))

"If the trust fund were to become insolvent, hundreds of thousands of jobs across the nation could be at risk and our ability to address the many road, rail, and transit needs in every state will be severely impeded," Rogoff said.



Ty Wright | Bloomberg | Getty Images

The highway segment of the trust fund, he said, could fall below \$4 billion by July

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and the transit segment could fall below \$1 billion in August. The United States levies 18.4 cents per gallon on gasoline and 24.4 cents per gallon on diesel to pay for transportation projects. But fuel use is now lower than projected as vehicles become more efficient, and that tax is no longer enough to feed the fund.

Congress has enacted temporary patches allowing money from the general fund to be transferred to the Highway Trust Fund to pay for some transportation projects. A temporary measure passed in 2012 to fund surface transportation projects including roads and bridges for two years is set to expire on Sept. 30.

Transportation officials and some lawmakers fear that if the law lapses it could set the United States economy back as costly infrastructure projects are delayed.

(Read more: Bumpy ride ahead through pothole purgatory)

Testifying before the House of Representatives Subcommittee on Highways and Transit, the officials urged lawmakers to adopt a long-term funding measure and to authorize the \$302 billion sought in President Barack Obama's 2015 budget proposal that would fund the transportation projects for another four years.



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lawmakers are reluctant to raise the taxes. Obama instead has proposed raising new money by ending some tax breaks for businesses. The gas tax was last increased in 1993.

Therese McMillan, deputy administrator at the Federal Transit Administration, said the United States needs to invest in transit safety, keeping roads in good repair and increasing capacity in congested urban areas.

"These investments are needed to create the 21st century public transportation systems our nation deserves and needs to be competitive," McMillan said.

The pleas come days after the American Public Transport Association said that ridership on U.S. trains, buses and commuter rail rose by 1.1 percent in 2013 to 10.7 billion trips, the highest since 1956. Transit ridership, up 37 percent since 1995, has far outpaced population growth in that time.

The officials testifying on Wednesday, who also included staff from the Federal Highway Administration and the National Highway Traffic Safety Administration, said they planned to send Congress a proposal for the reauthorization of transportation funding in coming weeks.

—By Reuters

The Department of Transportation has also warned of a growing "infrastructure deficit" given the number of major projects that need to be undertaken, including the repair or replacement of outdated bridges.

Some advocates have pushed for an increase in the fuel tax to keep the trust fund from insolvency, but many



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