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### Highway Trust Fund Insolvency May Impact Economic Recovery

Written by Ken Gaebler  
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*Another day, another government funding crisis. This one threatens investment in a crumbling national transportation infrastructure that underpins economic recovery and growth.*

The nation's Highway Trust Fund is running out of money, with bounced checks likely [as early as late August](#) according to the Department of Transportation.



If that happens, highway repair and improvement projects across the United States may be slowed, halted or even cancelled.

The [Associated Press](#) reports that United States transportation secretary Anthony Foxx is on an eight-state tour aimed to generate

public support for congressional legislation that would allocate federal transportation funds for another four years or more.

"Tell Congress we can't slap a Band-Aid on our transportation system any longer," Foxx told state and local officials in Ohio, during a recent stop there.

Foxx is promoting President Barack Obama's \$302 billion plan to keep federal transportation aid flowing. The White House projects that \$150 billion gained from closing corporate tax law loopholes can anchor the nation's investment in critical transportation infrastructure.

Needless to say, the current dysfunctional Congress is unlikely to accomplish such an ambitious program, so experts project that the most likely outcome is yet another stopgap measure to avoid a crisis.

Expect Congress to tap the general treasury for enough funds to keep programs going for a short period of time, kicking the can down the road at least long enough to get past the November elections.

That's a big mistake, says Lawrence H. Summers, former secretary of the Treasury for President Clinton. In a recent [Boston Globe op-ed](#), Summers commented that infrastructure investments "contribute to reductions in long-term debt-to-income ratios because they spur economic growth, raise long-run capacity, and reduce the obligations of

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future generations."

Summers is right. Highway congestion problems lead to inefficiencies in the nation's supply chain, which in turn raise costs on manufacturers, distributors, trucking companies and consumers. For transportation companies, the bad roads are adding insult to injury, as they deal with a [shortage of qualified truckers](#) and an onslaught of burdensome new regulations from the Federal Motor Carrier Safety Administration.

Unfortunately, deteriorating highway infrastructure is just one area of weakness in a sea of weak infrastructure components in the United States. Bridges, levees, ports, rail, inland waterways and other critical infrastructure assets are also in disrepair. Indeed, the nation gets a [D+ grade](#) for its transportation infrastructure, according to the most recent Report Card for America's Infrastructure released by the American Society of Civil Engineers.

This is an issue worth paying attention to. A crumbling transportation infrastructure leads to lost productivity, unnecessary fuel consumption, and the inefficient allocation of time and treasure to quick-fix workarounds, wasting resources that could otherwise be used to increase national competitiveness and create jobs.

For business owners, it's critically important to be able to ship goods reliably and in a timely manner. Instead, if the Highway Transportation Fund does become insolvent, we can expect more delays and financial burdens on companies and workers.

If you'd prefer not to see delays in needed infrastructure repairs and improvements, you may want to speak up and let your legislators know that this is an issue you care about.

It's a "pay now or pay me later" issue, with considerably higher costs if investment is delayed.

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