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U.S. DOT will limit transportation money to states starting Aug. 1

By [David Tanner](#), Land Line associate editor

Without congressional approval to shore up the Highway Trust Fund, the U.S. Department of Transportation will begin limiting payments to states for road and bridge projects starting Aug. 1. DOT Secretary Anthony Foxx told state transportation officials by email on Tuesday, July 1, that federal payouts to states will not exceed available dollars in the trust fund on any given day.

“As I stated in my June 19 letter, the Department will continue to take every possible measure to fully reimburse your State for as long as we can,” Foxx stated. “However, as we approach insolvency, the Department will be forced to limit payments to manage the reduced levels of cash available in the Trust Fund. This means, among other things, that the Federal Highway Administration will no longer make ‘same-day’ payments to reimburse States.”

Money in and out of the federal Highway Trust Fund is generated mainly through fuel taxes at the pump. The 24.4-cent federal diesel tax and 18.4-cent gasoline tax have not changed since 1993. Due to inflation and other factors, the money in the trust fund does not buy what it used to.

According to the DOT’s “Trust Fund Ticker,” the highway account in the Highway Trust Fund will reach \$0 in early September. The mass transit account, also part of the Highway Trust Fund, can sustain sometime into the fall.

Foxx said he believes placing limits on all states is the fairest way to deal with the pending shortfall.

“I believe the FHWA cash management plan is a sound one. It treats all states equitably and provides you with as much certainty as we can in a very uncertain situation,” he said.

Congress is faced with a two-part problem. One, as described by Foxx, is a short-term problem aimed at bringing in more cash to the Highway Trust Fund. The second part is passing a longer-term highway bill that dedicates a sustainable funding source for transportation.

Some lawmakers – and the White House – are calling for tax reforms to benefit transportation and the overall budget. Others have suggested fuel-tax increases. Others are eyeing tolls as a possible revenue generator.

OOIDA believes the federal fuel tax is the fairest and most equitable way to fund roads and bridges. Increasing fuel taxes would not require additional bureaucracy to collect or manage as tolling or other methods would. OOIDA opposes tolls placed on existing infrastructure and also opposes the sale or lease of public infrastructure to private investors.

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