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TRANSPORTATION INSIDERS

\$302 Billion—Can We Get There?



President Obama and Transportation Secretary Anthony Foxx. Photo credit should read SAUL LOEB/AFP/Getty Images.



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Give President Obama credit for (sort of) touching the third rail of modern American politics. Last week he proposed using "business tax reforms"—i.e., raising rates on those who employ people overseas—to fill a \$150 billion gap in the highway trust fund. The money would help fund in [his plan](#) for a four-year surface transportation bill, which would cost \$302 billion. If that were to become a reality, it would take the long nagging public policy issue of highway and transit resources off the table for the rest of his term. How cool would that be?

Obama's bully pulpit is only the beginning. It is useful because it highlights the increasing urgency of Congress acting to solidify the funding structure for the nation's roads and railways. It is becoming a steady mantra from the administration and the transportation industry that highway trust fund money will dry up this summer—at the height of construction season—if lawmakers don't pass a bill.

Coincidentally, Obama had some help from Republicans last week in linking taxes to transportation. House Ways and Means Chairman Dave Camp, R-Mich., unveiled a [discussion draft](#) of a broad tax overhaul bill that would dedicate \$126.5 billion to the highway trust fund.

Let's be clear. Neither Obama's nor Camp's proposal will happen. Both funding mechanisms have components that have been rejected by one or the other political parties. Moreover, when it comes to the actual surface transportation details, the action isn't really with either of these men. It's in the House and Senate transportation committees. Obama and Camp are just cheerleaders for the grinding legislative negotiations between Senate Environment and Public Works Committee Chairman Barbara Boxer, D-Calif. And House Transportation and Infrastructure Committee Chairman Bill Shuster, R-Pa.

Both Boxer and Shuster hope that their respective committees will mark up surface transportation bills in the spring or early summer. That won't give them much time to merge the proposals before the money runs out, which is why it is so important for the industry and the supporting players like Obama and Camp to maintain the advocacy drumbeat now.

Speaking to the American Association of State Highway and Transportation Officials last week, Shuster said he appreciated both Camp's and Obama's proposals. It makes all the difference in the world for Camp to be committed early to making the highway trust fund "whole" through the tax code. That will help in the final stages of drafting a bill, when Shuster and Boxer are hunting around for a mutually agreeable way to pay for it.

When it comes to Obama, all Shuster said was, "We were encouraged by some of the things the president said." Fair enough. This is, after all, Shuster's territory.

For our insiders: How realistic is Obama's \$302 billion proposal? What would it take to get to that number, understanding that he has to work with Republicans? What is the significance of Camp giving a thumbs-up to \$126 billion for the highway trust fund if his tax proposal is going nowhere? How can the tax code be used to raise money for surface transportation without a total rewrite?

(Note: This blog is a moderated discussion on transportation issues. Comments are approved on a case-by-case basis. If you want to be a regular commenter, contact me.)