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Point of View

Congress must increase gas tax before highway fund runs dry

By Ray LaHood and Ed Rendell

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If you drive in the Raleigh-Durham metro area, you already know how bad traffic congestion can be. On average, drivers spend 23 hours a year sitting in traffic jams – time that could be better spent attending a child's soccer game or making that killer presentation at the office.

Unfortunately, the frustration drivers are already experiencing is about to get worse.

The source of federal funding for the nation's roads and bridges is the Highway Trust Fund. Funded through an 18.4-cent-per-gallon gas tax that has not budged one penny since 1993, the fund is not collecting enough revenue to keep pace with the nation's population and transportation needs. Over the past 21 years, cars have become much more fuel-efficient, and hybrids and electric vehicles that use little or no gas are on the rise.

Between more fuel-efficient cars and a gas tax that is limping along, the Highway Trust Fund is running on empty.

This means that in North Carolina, road maintenance and new construction projects could face immediate delays or cancellations, which would only further complicate traffic congestion.

Nearly half of North Carolina's multibillion-dollar capital transportation program depends on federal money from the Highway Trust Fund to keep highways and bridges functioning safely and efficiently. If these federal funds were to dry up, it would have a direct effect on your wallet. In fact, driving on roads in need of repair is already costing drivers in the Raleigh-Durham area \$1,000 each year due to higher vehicle operating costs, traffic crashes and congestion-related delays.

With 11 percent of the state's major roads in poor or mediocre condition and 30 percent of its bridges structurally deficient or no longer able to accommodate the traffic flow, North Carolina can ill afford to lose \$1.1 billion in federal funding if the trust fund runs dry.

The law that authorizes and funds national transportation policy will expire Sept. 30. But the Highway Trust Fund is projected to run dry sometime in August. It sounds crazy that our Highway Trust Fund could go bankrupt, and we won't be able to pay to repair our roads and bridges, but unless Congress acts this is exactly what will happen. To prevent insolvency, Congress must inject new revenue into the fund. Failure to do so would curtail critical construction projects and kill tens of thousands of middle class construction jobs across the country, potentially during the peak summer construction season.

That would be terrible for our economy, which is just getting back on its feet. And it would have direct consequences in North Carolina as it would affect the state's ability to deliver 644 needed highway and transit improvement projects and put over 20,000 jobs at risk.

The nonpartisan Congressional Budget Office has estimated that the Highway Trust Fund needs an

additional \$15 billion in revenue to stay afloat just for another year.

Congress could stave off this crisis by increasing revenue to the fund through a modest 10-cent increase in the gasoline tax. Such an increase would generate the \$15 billion needed to sustain the fund for another year. During that time, Congress could move forward with reforming the corporate tax code, which has been proposed by President Obama and Rep. Dave Camp, the Republican chairman of the House Ways and Means Committee. Both recommended that a portion of the revenue derived from corporate tax reform be directed to the trust fund, which would keep it flush for another 10 years.

As former elected officials, we fully understand the difficult politics of raising revenue. Yet we have watched our colleagues in state governments make the tough decisions while Congress seems to wait for a crisis before it acts. If lawmakers wait much longer, they run the risk that the Highway Trust Fund will go bankrupt. Americans don't need more government gridlock. We need Congress to work together for the sake of our economy and the jobs that transportation funding provides.

Congress should act immediately to keep the Highway Trust Fund from going bankrupt. The years of kicking the can down the pothole-filled road must end. Congress needs to make a real and sustainable long-term fix for funding America's transportation system. The economic prosperity of North Carolina – and our nation – depends upon it.

Ray LaHood, former Secretary of the Department of Transportation, and Ed Rendell, former governor of Pennsylvania, are co-chairs of Building America's Future.

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