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U.S.

Coalition Prods Congress on Transportation Fund

By JONATHAN WEISMAN JULY 7, 2014

WASHINGTON — With both the legislative calendar and the Highway Trust Fund nearly exhausted, a broad coalition of business groups and labor unions will push this week to shake Congress from its stasis and approve federal infrastructure spending before transportation projects begin to dry up in August.

Fierce resistance from conservative Republicans to replenishing the Highway Trust Fund and reauthorizing the federal Export-Import Bank has yielded rare public laments from business leaders about the state of politics — especially in the Republican Party, where Tea Party-fueled populism has undermined the party's longtime support for business.

Business leaders said that inaction by Congress could imperil the economic recovery just as jobs are increasing at a rate that could presage a period of sustained growth.

Jay Timmons, president of the National Association of Manufacturers, said business fealty to Republican politics allowed the pro-business wing of the Democratic Party to wither, a movement that now threatens pro-business Republicans.

“Sadly, we accepted their losses, and as a result business became reliant on the benevolence of just one party,” Mr. Timmons, a Republican, said in a speech last month. “Now today, there are fringe elements who are using intolerant social propaganda and distorting the records of honorable

men and women, driving them into the wilderness of defeat,” pointing to the surprise defeat of Representative Eric Cantor, Republican of Virginia, the House majority leader.

Thomas J. Donohue, president of the U.S. Chamber of Commerce, begged Congress to approve the first increase in the federal gas tax since 1993, although he conceded courage “seems in short supply in Washington.”

“Shippers are for it. Truckers are for it. The construction industry is for it. Labor is for it, and the chamber is for it,” he said in a speech in May. “And if Congress were serious about ensuring money goes to the most essential projects, many motorists would be for it too.”

Ned Monroe, the National Association of Manufacturers senior vice president for external relations, said business groups like his, the Building America’s Future coalition, and labor unions will begin a multipronged advocacy effort this week. Over the weekend, Building America’s Future launched a smartphone app, I’m Stuck, with the U.S. Travel Association, which allows users to email their member of Congress during a traffic jam, subway or airport delay or packed transit ride to report on their progress — or lack thereof, with a picture if they want.

The Laborers’ International Union of North America started a road show last week, complete with billboards and a school bus with part of a crumbled bridge on its hood. Advertising, lobbying on Capitol Hill and pressure at home from construction firms and union members are to follow.

“Stopping the crisis facing the Highway Trust Fund will require Congress to take action,” Jim Hoffman, president of Wisconsin-based Hoffman Construction Company, said Monday at an event in Madison, Wis.

A trio of issues has tested business tolerance. Just 16 days remain on the House’s legislative calendar before a five-week summer recess, and if nothing is done in that time, federal highway funding will be slashed 28 percent on Aug. 1, at the height of the summer construction season.

The Export-Import Bank, which guarantees loans to foreign purchasers of American exports, will have to close its doors by the end of September if Congress does not reauthorize it.

Between those two items, hundreds of thousands of jobs are at risk, business advocates say; almost 700,000 depend on the highway fund alone. And those two issues come on top of business's failure to get House Republicans to move forward on an overhaul of the nation's immigration laws.

"Everyone talks about middle-class jobs, but no one does anything to actually generate them," said former Gov. Edward G. Rendell of Pennsylvania, a Democrat who is co-chairman of Building America's Future, along with former Mayor Michael R. Bloomberg of New York and Ray LaHood, the former Obama administration transportation secretary who was a Republican House member.

Conservatives, however, see a rare moment of leverage, when the political battles between the Republican establishment and Tea Party wing shift to actual policy fights. Some conservatives believe responsibility for road and bridge construction should devolve to state and local governments, and they argue that the looming cut to transportation spending is exaggerated. Because Washington funds about a quarter of road and transit spending, a 28 percent cut to the federal share is a 7 percent reduction to spending over all.

And they see the Export-Import Bank as corporate welfare, facilitating sales for some of the largest companies in the world, such as Boeing and Caterpillar.

"We hear a lot from powerful voices on K Street and Wall Street about the bank, but we also should listen to voices from Main Street," said Representative Jeb Hensarling of Texas, chairman of the House Financial Services Committee, who wants the bank to die.

Republican voters are sending lawmakers a message. Mr. Cantor backed both some easing of immigration law and a reauthorization of the Export-Import Bank. His successor as leader, Representative Kevin

McCarthy of California, has said he will oppose the bank's reauthorization.

Leaders in both parties have all but given up reaching a multiyear deal to fund transportation programs. Negotiators met through last week and on Monday to find the \$9 billion needed to get the trust fund through the end of the year, or as much as \$12 billion to fund projects through the spring. Besides Senators Bob Corker, Republican of Tennessee, and Christopher S. Murphy, Democrat of Connecticut, and Representative Earl Blumenauer, Democrat of Oregon, virtually no one has been willing to entertain an increase in the gas tax or a new tax on miles driven.

Instead, the focus has been on tweaks to private pension rules and taking money from a trust fund for leaking underground storage tanks.

"Everybody other than Murphy, Corker and Blumenauer thinks money is going to fall from the sky to pay for highways," said Bruce Josten, the chamber's longtime chief lobbyist.

On the trust fund, the chamber and its Alliance for Transportation Mobility coalition have been pushing daily commentaries and opinion pieces, compiling state-by-state statistics on infrastructure needs and the damage a shutdown could do and "consistently and persistently going out to the grass roots," Mr. Josten said. And business groups for the first time in a while, are looking for help from Democrats.

"We can't be reliant on just one political party," Mr. Monroe said.

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