



Construction companies relying on federal Highway Trust Fund face Congressional roadblock

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The federal Highway Trust Fund is running out of money. Congress only has a few weeks to find more revenue, the Obama administration warned, or else the states will see a 28 percent reduction in federal funds, and 700,000 jobs will be at risk. The NewsHour's Quinn Bowman reports from West Virginia on one project that depends on the funds, and those who could be affected.

TRANSCRIPT

JUDY WOODRUFF: The Federal Highway Trust Fund, which pays for the building and fixing of many of the roads and bridges in this country, is running out of money. Congress has only a few weeks to figure out how to keep it going. And if it doesn't, it could cost thousands of jobs.

The NewsHour's Quinn Bowman traveled to West Virginia, where he looked in on one project dependent on the funds, and he talked to West Virginians who could be affected.

GARY TAYLOR, President, Bizzack Construction: We're in Logan, West Virginia. This construction project is part of the Route 10 relocation. It allows the traveling public to go from Man to Logan. Ten millions cubic yards of excavation and, contract-wise, it's about \$75 million.

QUINN BOWMAN: Gary Taylor's company, Bizzack Construction, is part of the team turning this winding two-lane road into a new one double in size. Much of the money for this and projects like it nationwide comes from the Federal Highway Trust Fund.

It was created in 1956 to finance and maintain the federal highway system, and relies on a gasoline tax, now pegged at 18.4 cents a gallon. The revenue goes to reimburse states,

which, in turn, pay companies like Bizzack for construction and maintenance. But the fund has been spending more than it takes in for years, as inflation eats away at the value of the tax and increased fuel-efficiency reduces gasoline usage.

The money will start to dry up in August, but Congress is deadlocked over what to do. Democrat Nick Rahall has represented West Virginia's 3rd Congressional District for 38 years.

REP. NICK RAHALL, D, W.Va.: I got first \$50 million for Route 10. This is where you have loaded school buses playing chicken with coal trucks on a very windy segment of a highway hanging over a mountain, a disaster waiting to happen.

QUINN BOWMAN: He's the top Democrat on the House Transportation Committee and a champion of saving the highway fund.

REP. NICK RAHALL: Should the unforeseen happen and I not be returned to Congress, the experience that I have gained in being the top Democrat now on the House Transportation and Infrastructure, that seniority doesn't automatically transfer to a new guy.

I have been able to get these monies I mentioned earlier for transportation projects in Southern West Virginia regardless of which party controls the House of Representatives, regardless of which party controls the White House.

QUINN BOWMAN: Rahall wants to keep the program funded, but doesn't support raising the federal gas tax and has not been specific about a solution.

For decades, longtime Senator Robert Byrd made sure West Virginia got its share and then some, delivering billions in earmarks to the state, where several roads bear his name. But the political tide has changed. Where Democrats once ran without challenge, Rahall is now viewed as one of the year's most vulnerable incumbents.

His Republican challenger is Evan Jenkins, a state senator who recently abandoned the Democratic Party.

EVAN JENKINS, Republican House Candidate: We have got to be more efficient. I'm not for raising taxes. And, unfortunately, there is this Washington attitude of just bring in more

money, spend more money, and maybe then we will get the job done. Well, that hasn't worked. We have got a \$17 trillion debt in this country.

QUINN BOWMAN: Jenkins thinks decreasing coal regulation could lead to more jobs and generate revenue for roads without any increase in the federal gas tax.

Indeed, most of this year's Republican candidates have signed a pledge with Americans for Tax Reform not to raise taxes. Mattie Duppler works on transportation issues for the group.

MATTIE DUPPLER, Americans for Tax Reform: And that's one of the problems with infrastructure, is that it makes a really good political point for lawmakers, standing in front of a bridge, standing in front of a highway. It's really a great campaign stop for these folks. However, when that project ends, they struggle with the notion that the political capital then ends along with it.

QUINN BOWMAN: The Obama administration says that unless Congress finds more revenue, states will see a 28 percent reduction in federal highway money come August. It says that would put 700,000 construction jobs at risk.

President Obama has mocked lawmakers for leaving the highway fund hanging.

PRESIDENT BARACK OBAMA: I haven't heard of a good reason why they haven't acted. It's not like they have been busy with other stuff.

(LAUGHTER)

QUINN BOWMAN: As the debate continues, concern is rising among West Virginia's political and business leaders, including Paul Mattox, the state's secretary of transportation.

PAUL MATTOX, Secretary of Transportation, W. Va.: Well, the dysfunction that we are seeing in Washington, unfortunately, it is affecting West Virginia. I'll tell you, as each day passes, I get more and more concerned.

I can't see them letting the funding not be addressed, that they would not at least give an extension to keep the programs up and running. The consequences, I know here in West Virginia, we're going to lose a lot of — the rest of the construction season possibly on some

of our projects. And people are going to lose their jobs.

QUINN BOWMAN: Back at Bizzack Construction, Gary Taylor is hoping both sides will decide that keeping the money flowing is vital.

GARY TAYLOR: We're the destination of Appalachian coal work that's here. Good roads are very important. It's the only hope that the people that live here have of having work and having industry come in.

MATTIE DUPPLER: Infrastructure really is the backbone of commerce in this country. It's important. And conservatives do struggle with relaying that message, because the message is, that's important, and because it's important, we should be spending as well as we can on it, rather than just throwing dollars at a problem that is not going to make it go away.

QUINN BOWMAN: The House and Senate are preparing plans to move enough money into the fund to keep it solvent for a few months. A deal could be finalized as early as next week. Both sides agree that a long-term solution would be best, but, like a lot of things on Capitol Hill, neither side can agree on how to pay for it.

