



## Advocates applaud Obama transportation proposal



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Transportation advocates applauded President Obama's proposed \$302 billion infrastructure funding bill, although the proposal appears to have little chance of becoming law this year.

Obama **sent** Congress his proposal for a new surface transportation funding package in an attempt on Tuesday to spur a broader debate about how to pay for the nation's road and transit projects.

The package relies heavily on revenue from a corporate tax reform proposal that is strongly opposed by Republicans, however, making it unlikely to garner traction on Capitol Hill this summer.

That reality did not stop transportation advocates from gushing about Obama's decisions to enter the fray about infrastructure funding, however.

AAA Auto Club President Bob Darbelnet said the president's bill was an effort to change the conversation about transportation in Washington, even though Obama eschewed his organization's proposal to increase the federal gas tax to provide road and transit funding.

"The GROW AMERICA Act contains no earmarks, no Bridges to Nowhere — instead, it delivers on the core responsibility of the federal government, which is to facilitate interstate commerce, enhance personal mobility, make our roads safer and keep America globally competitive in a rapidly changing world," Darbelnet said in a statement.

"The recommended funding levels in this bill are robust and consistent with the levels independent experts have been telling us for years are necessary," Darbelnet continued. "They should send a clear message to Congress that swift action is needed to avert a transportation crisis."

Obama's proposal calls for a four-year extension of funding for federal road and transit projects that are currently scheduled to expire in September.

The plan would authorize \$75.5 billion in annual spending, which would be a \$20 billion increase over current yearly funding levels. It would also close the \$66 billion shortfall in the Highway Trust Fund.

The president is proposing to pay for the spending by generating some \$150 billion in revenue from corporate tax reform — something Congress is unlikely to consider. Republican leaders in the House have signaled that even a tax reform plan from one of their own members, House Ways and Means Committee Chairman Dave Camp (R-Mich.), is a non-starter.

Despite the likely opposition to Obama's proposed funding mechanism for his transportation bill, International Union of Operating Engineers President James Callahan said the president's draft is "a solid blueprint for progress."

"Political pundits say that fixing the Highway Trust Fund will be a 'heavy lift' for Congress this year. Operating Engineers know all about heavy lifts, and securing future funding for transportation infrastructure is not one of them," Callahan said in a statement that was released by the Obama administration.

"We are calling on Congress to build upon this proposal and put in place a measure that delivers long-term certainty to transportation planning and opens on ramps to job creation in the construction industry," Callahan continued. "Allocating funds that build and repair our roads, bridges and transit systems is governing at its most basic level. Now is the time for Congress to do its job so we can do ours. Leave the real heavy lifting to the men and women of the Operating Engineers."

Transportation advocates have been clamoring for a new transportation bill that lasts longer than the two years authorized in the Moving Ahead for Progress in the 21st Century (MAP-21) Act, which Congress passed in 2012. They say a longer-term bill is needed to give state and local governments more certainty when planning out infrastructure projects.

Lawmakers are grappling with how to close a shortfall in transportation funding that is projected to soon reach as high as \$20 billion per year.

The traditional source for infrastructure funding has been the federal gas tax, currently at 18.4 cents per gallon. But the gas tax has not been increased since 1993, and receipts are now being far outpaced by infrastructure expenses.

Transportation advocates have pushed for an increase in the gas tax to a rate that would nearly double the amount of extra money drivers are charged at the pump, to 33 cents per gallon. Supporters say the increase would make up for the revenue that has been lost during a 20-year stagnation in the gas tax.

The Congressional Budget Office has projected that lawmakers will have to find an extra \$100 billion in revenue, in addition to the approximately \$34 billion that is expected to be brought in by the federal gas tax, to provide enough money to pay for a six-year transportation bill this year.

AAA's Darbelnet said his organization was not giving up on its belief that increasing the gas tax was the best solution to the transportation funding crisis, even though he was supporting Obama's bill.

Darbelnet said Obama's proposal would be better than lawmakers doing nothing and allowing the federal transportation funding to expire later this year.

But he said the president's bill continues the trend of "addressing the Highway Trust Fund shortfall with a solution that is short-term and politically palatable rather than long-term and fiscally responsible.

"AAA is encouraged that the administration is taking the lead in laying out the goal of a multi-year reauthorization bill, however corporate tax reform and other one-time patches must not be the only funding solutions considered," Darbelnet said. "AAA continues to believe that an increase to the federal gas tax is the most effective and sustainable funding mechanism, provided the additional funds are thoughtfully spent on transportation improvements that ease congestion and increase safety."

**TAGS: Barack Obama, Bob Darbelnet, James Callahan, Highway Trust Fund, MAP-21 Reauthorization, Gas Tax, Transportation Funding shortfall**

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