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# Cities, states to lose big if highway fund disappears

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One section of the \$500 million I-75 Phase II modernization project under way in Dayton, Ohio, is seen April 14, 2014. / Skip Peterson, AP

by Larry Copeland, USA TODAY

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States and local governments stand to lose \$46.8 billion in federal funding for transportation and transit projects next year if Congress doesn't put more money into the Highway Trust Fund and it slides into insolvency, according to a new report.

The Transportation for America report concludes that unless Congress acts to add to the fund, there will be no federal money for new projects in fiscal year 2015. The fund, which has been used to pay for road construction and transit projects since 1956, is funded by the federal tax on gasoline and diesel fuel. The tax has not been raised since 1993, as construction costs have soared and Americans drive fewer miles in more fuel-efficient cars.

"America is at a crucial decision point for transportation," John Robert Smith, the group's co-chairman and a former 16-year Republican mayor of Meridian, Miss., said Tuesday.

Without congressional action, all the federal tax money coming in to the trust fund would be used to pay for existing

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projects, leaving no money for new state and local roads, bridges and transit, the group said.

The report from Transportation for America, a Washington, D.C.-based coalition of businesses, unions and non-profit organizations working to improve transportation, comes one day after U.S. Transportation Secretary Anthony Foxx submitted a \$302 billion, four-year road transportation bill.

The Transportation Department said its Grow America Act would: address the shortfall in the Highway Trust Fund and provide an additional \$87 billion to deal with the nation's backlog of structurally deficient bridges and aging transit systems; create millions of jobs, and provide a measure of transportation funding certainty to state and local transportation planners.

"I visited eight states and 13 cities this month and everywhere I went, I heard the same thing - people want more transportation options and better roads and bridges to get them where they need to go," Foxx said. "Failing to act before the Highway Trust Fund runs out is unacceptable - and unaffordable."

Atlanta Mayor Kasim Reed, chairman of the U.S. Conference of Mayors, praised the administration's proposal. "Growing investment in the nation's highways and streets, bridges, rail and transit systems, as the administration's plan envisions, will strengthen our nation's cities and metropolitan areas," he said.

Congress, which had approved long-term federal transportation bills until recently, approved a two-year bill in 2012; it expires on Sept. 30.

As the nation wrestles over how to pay for roads and transit - raising the gas tax, tolling more highways, instituting a miles-driven tax, for example - some states have tried to address funding gaps by raising state gas taxes. And Smith noted Tuesday that more than 70% of local transportation ballot measures around the nation passed last year.

However, there's been very little political appetite for making hard choices about transportation funding at the national level.

Joseph Curtatone, the sixth-term Democratic mayor of Somerville, Mass., who said his city stands to lose critical federal transportation dollars, said the conversation about transportation funding has to be a "values-based discussion."

Robert Poole, director of transportation policy at the Reason Foundation, does not expect Congress to approve a four-year transportation funding bill; he sees another two-year bill as more likely.

"There's certainly not much to be optimistic about, but I don't think it's the end of the world," he said. "A lot of state legislators are biting the

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bullet and deciding they need to do more self-help and not rely on Washington so much."

Poole said he was "very encouraged" by one component of the Obama administration's transportation proposal: a first-ever offer to allow states to use tolling to rebuild their interstates. "That would be huge," he said.

Rosabeth Kanter, a professor and part of the Harvard Business School's U.S. Competitiveness Project, a research-led effort to understand and improve the nation's competitiveness, also doubts Congress will pass a long-term funding bill. Kanter said Congress needs to pass a bill to avoid "running out of money before they get all the potholes fixed."

Then, she said, the nation needs to "reinvent" its national transportation funding system, to focus more on technology, on innovative financing such as public-private partnerships and on regional collaboration.

"We are stuck in a system invented largely in the 1950s," she said. "Other countries are doing better. This (transportation) should be at the top of the national agenda because it's involved in every other national issue - education, health care access, air quality, the environment."

*Contributing: Bart Jansen in Washington, D.C.*

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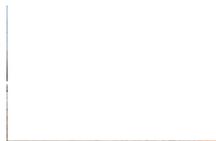
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