



## GOP senator 'skeptical' of Obama's \$302B transportation bill



Greg Nash

By Keith Laing - 05/07/14 05:19 PM EDT

The top ranking Republican on the Senate transportation committee said Wednesday that he was "skeptical" of President Obama's proposed \$302 billion transportation bill.

Obama has proposed that lawmakers use \$150 billion from a corporate tax reform package that is considered unlikely to be approved this year to help close a shortfall in transportation funding that has been projected to soon reach as high as \$20 billion per year.

Sen. John Thune (R-S.D.) said the one-time fund transfer would make the deficit that is causing facing the Department of Transportation's Highway Trust Fund worse because it would delay further finding a more permanent solution.

"Since serving on the House Transportation and Infrastructure Committee during TEA-21, to our efforts with SAFETEA-LU, and most recently MAP-21, I am skeptical about the financing proposals the administration has put forward to fund its \$302 billion plan, especially the administration's reliance upon one-time revenues from so-called corporate tax reform," Thune said during a hearing of the Senate Commerce, Science and Transportation Committee.

"This aspect of the plan is unlikely to secure broad support in Congress and fails to provide a longer-term funding solution for these vital programs," Thune continued.

The current surface transportation measure, known as the Moving Ahead for Progress in the 21st Century Act, is scheduled to expire in September.

The Department of Transportation's Highway Trust Fund, which is used to pay for federal transportation projects that are included, has been projected to run out of money as early as August.

Transportation Secretary Anthony Foxx told lawmakers on Wednesday that the Obama administration was proposing using the corporate tax reform to prevent a shut down of transportation projects this summer.

"We will start to feel the effects of the Highway Trust Fund's insolvency before August," Foxx told the panel. "June and July is prime time for state DOTs to start letting contracts, and facing the kind of uncertainty that is ahead of us, many of those contracts will not be signed, which will mean work will not go forward."

Thune said he agreed with the Obama administration on the importance of renewing the transportation bill, but he questioned why the administration has shied away from pushing for an increase in the 18.4 cents-per-gallon federal gas tax that is normally used to pay for transportation projects.

The South Dakota senator said increasing the gas tax would preserve the current system where people who are driving on highways are paying for them that has been in place since the creation of the Highway Trust Fund in the 1930's.

"Since I've been associated with highway bills...it's always been funded by the user fee," Thune said. "The corporate tax reform that is used to fund this proposal is really one-time revenues. It's repatriation of funds. It's not the long-term solution that we're all talking about, and it actually

creates a steeper cliff that would have to be filled up at the conclusion with a more permanent source of financing."

Foxx said the administration was deferring to Congress on the appropriate amount for drivers to be charged at the pump.

"The fuel tax has been on the table for quite awhile," the DOT chief said. "It's a tool that has been available to Congress for the last several years."

The gas tax has not been increased since 1993.

Foxx said Wednesday that fuel levy was not bringing in as much money as it used to because cars are becoming more fuel efficient and it was not indexed to inflation during the last hike.

"If you look at the curve of the fuel tax, the curve is downward," Foxx said.

Democrats on the panel agreed with Foxx that a one-time cash infusion is better than allowing the transportation fund to go bankrupt, even though many of them have previously supported a gas tax increase themselves.

"There's no substitute for something called money," the Commerce Committee's Chairman Sen. Jay Rockefeller (D-W. Va.) said.

Rockefeller said that renewing the federal government's transportation programs should not be a partisan issue.

"Sometimes it's so easy to make things partisan, and sometimes it's so stupid to," Rockefeller said.

"Congress, the administration, the transportation community, and the American people need to put the politics and timidity aside, and move forward with a renewed purpose in rebuilding our country," Rockefeller continued. "None of these proposals alone will be the silver bullet for all our infrastructure needs, but we can conclude that the status quo is insufficient."

*-This story was updated with new information at 7:19 p.m.*

**TAGS: John Thune, Jay Rockefeller, Barack Obama, Anthony Foxx, Highway Trust Fund shortfall, Gas Tax, MAP-21 Reauthorization**

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