



GOP transportation plan labeled 'another highway bailout'

By Keith Laing - 06/06/14 04:26 PM EDT

Conservative group Heritage Action criticized a controversial House Republican plan to use cut backs at the Postal Service to pay for transportation spending as "another highway bailout."

In a **blog post** on its website, the group said the GOP plan to use nearly \$15 billion in postal savings to fund transportation projects was "flawed on a number of levels and should be rejected by Congress."

"This would not just be an isolated instance of bad policy in the face of predictable overspending," the group said. "Since 2008, more than \$55 billion has been funneled from taxpayers into the Highway Trust Fund in the form of HTF bailouts—violating the user pays, user benefits principle."

"With each bailout, the link between highway spending and gas taxes is degraded, making it increasingly difficult to enact structural reforms that turn over the federal highway and transit programs to the states, so they can manage their transportation needs without Washington bureaucrats," the statement continued.

Lawmakers are attempting to find a way to prevent a **bankruptcy** in the Department of Transportation's Highway Trust Fund that has been projected to occur as early as August without congressional action.

The traditional source for transportation projects has been the federal gas tax, which is currently priced at 18.4 cents per gallon. The gas tax has not been increased since 1993, however, and it currently brings in about \$16 billion less than the current level of transportation spending approved by lawmakers in 2012.

The 2012 transportation bill, which is scheduled to expire in September, includes approximately \$50 billion per year in spending for road and transit projects. The gas tax is expected to bring only \$34 billion per year over the next few years, leaving a large shortfall that has to be plugged.

Heritage Action is supporting a bill that was filed by Sen. Mike Lee (R-Utah) that would move toward **eliminating** the gas tax altogether in lieu of a system of block grants that would replace current annual congressional transportation appropriations.

The measure, known as the Transportation Empowerment Act (TEA), would reduce the federal gas tax that is traditionally used to pay for infrastructure improvements from 18.4 cents per gallon to 3.7 cents within five years.

Heritage Action said Lee's proposal would be a more effective way of paying for transportation projects.

"Too many in Washington are content with the status quo: continuing to spend gas tax dollars on projects such as streetcars, bicycle facilities, scenic overlook construction, community preservation, and environmental mitigation (local activities well beyond the scope of federal highway authority)," the group said.

Transportation advocates agreed with Heritage Action's criticism of the GOP's plan, but objected to the group's call for getting rid of the gas tax.

"The federal government helped build this nation's highways, and maintaining these vital thoroughfares is literally one of the most basic responsibilities of government," Association of Equipment Manufacturers spokesman Michael O'Brien said in a statement.

"House Republicans' proposal to fund a one-year extension of the Highway Trust Fund is unworkable, but ideological conservatives' proposal to essentially federalize the administration of all interstate highways is even less serious," O'Brien continued.

TAGS: Highway Trust Fund, Gas Tax, MAP-21 Reauthorization, United States Postal Service, House GOP transportation plan

Like Share 1 Tweet 17

The Hill 1625 K Street, NW Suite 900 Washington DC 20006 | 202-628-8500 tel | 202-628-8503 fax

The contents of this site are ©2014 Capitol Hill Publishing Corp., a subsidiary of News Communications, Inc.