



## Industry lukewarm on emerging highway deal



By Keith Laing - 07/10/14 05:19 PM EDT

Transportation advocates in Washington reacted to an emerging highway funding deal in Congress with trepidation, saying they were glad lawmakers were heading toward preventing an infrastructure bankruptcy but upset that they were settling for another short-term stopgap.

The House and Senate begin **moving** similar versions of legislation that would replenish the Department of Transportation's dwindling Highway Trust Fund and extend federal infrastructure spending beyond the end of the year.

The movement came when Democrats agreed to **drop** demands that Republicans agree to a shorter transportation funding patch that would have expired after the midterm elections in exchange for an infusion of cash into the **nearly broke** Highway Trust Fund.

The Transportation Department had warned that it would have to cut its funding to states by 28 percent absent the emerging agreement.

Lawmakers on Thursday pronounced that the measures were the product of painstaking bipartisan negotiations, but transportation advocates were much less impressed with the work of elected officials.

"House and Senate panels each passed legislation today to avert a Highway Trust Fund shortfall that would cause a partial shutdown of surface transportation projects in August. For that, we are appreciative," Association of Equipment Manufacturers (AEM) President Dennis Slater said in a statement after Thursday's burst of legislative activity.

"However, lawmakers should have pause before patting themselves on the back," Slater continued. "Congress remains a portrait of dysfunction when it comes to their inability to rally around commonsense solutions to put the Highway Trust Fund on sound financial footing for the long term. It's no wonder that Congress suffers from an approval rating hovering in the low teens."

The bills that began moving in both chambers on Thursday rely largely on revenue from other areas of the federal budget like pension changes and custom fees to provide a \$10.9 billion infusion of cash into the Highway Trust Fund.

The traditional funding source for the trust fund is revenue from the 18.4 cents per gallon gas tax. However, the tax has been stagnant since 1993 and has struggled to keep pace with infrastructure expenses in recent years as cars have become more fuel efficient.

Budget analysts have predicted that the gap between gas tax revenues and infrastructure spending would be in the neighborhood of \$16 billion next year without congressional action this summer.

Lawmakers in the House and Senate defended their temporary stopgap measures as a "bridge" to a broader debate about transportation funding.

"Allowing the Highway Trust Fund to go insolvent next month, clogging the roads Americans use every day and costing us hundreds of thousands of jobs, would be legislative malpractice and I'm not willing to let that happen," Senate Finance Committee Chairman Ron Wyden (D-Ore.) said. "I'm pleased that Senator Hatch and I were able to compromise on a solution and deliver a true bipartisan path forward. At the same time we must push forward to define a sustainable, long term plan to modernize our infrastructure needs."

The top ranking Republican on the Senate Finance panel agreed.

"Today's proposal is a balanced and viable bill that addresses the immediate needs of the highway trust fund," Sen. Orrin Hatch (R-Utah) said. "And while I had hoped our counterparts on the other side of the aisle would accept cuts to wasteful and low-priority spending as a way to pay for the bill, our proposal is nonetheless a bipartisan product forged by compromise. Moving forward, I am committed to addressing the chronic underfunding of the highway trust fund for the long-term."

Infrastructure advocates like AEM and the American Road & Transportation Builders Association (ARTBA) said Thursday they would have preferred if Congress had instituted a more permanent funding solution like an increase in the gas tax for the first time in two decades.

"The Highway Trust Fund has been limping from crisis to crisis for the past six years as America's transportation network continues to decline," ARTBA President Peter Ruane said in a statement. "Therefore, our message to Congress is simple: your job isn't close to being done.

"It's incumbent upon lawmakers in the House and Senate, and officials from the Obama Administration before the end of 2014 to develop a long-term and sustainable Highway Trust Fund solution that supports future transportation capital investments," Ruane continued. "Anything less ignores the fragile state of our nation's economy and does a great disservice to the tens of millions of American motorists, businesses, and workers who rely on the transportation network every day to support their livelihoods."

Democratic supporters of increasing the gas tax in Congress like Sen. Tom Carper (D-Del.) also expressed disappointment with Thursday's emerging deal.

"The definition of insanity is to do the same thing over and over again but expect a different outcome," Carper said after offering an amendment to go back to the earlier December deadline that was defeated Thursday.

"Over the last five years, we've kicked the can down the road on the Highway Trust Fund eleven times. That uncertainty has kept states and cities from being able to plan and build large-scale transportation investments that have the biggest impact on the economy," Carper continued. "So there is no reason to think that punting on this issue to the next Congress yet again will magically yield a different result."

Republican leaders in the House objected Thursday to efforts to raise the gas tax to pay for transportation projects, however.

"The Senate appears to be heading down a road of higher taxes for more spending. That's not a path forward in the House," House Ways and Means Committee Chairman Dave Camp (R-Mich.) said during an earlier markup on Thursday.

Camp said the lower chamber's plan to tap other areas of the federal budget to plug the hole in transportation funding was the "only package with a proven history of getting big bipartisan votes in both the House and Senate.

"The three provisions — pension smoothing, customs user fees and leaking underground storage tanks — have all been used previously in bills that received strong bipartisan votes," he said. "Pension smoothing and LUST were included in the last bipartisan highway trust fund legislation, which every committee Democrat voted for and was signed by President Obama."

**TAGS: Tom Carper, Dave Camp, Highway Trust Fund, Gas Tax, MAP-21 Reauthorization**

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