

Highway funds stuck in neutral as Memorial Day travel spikes

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By [Keith Laing](#) - 05/25/14 08:30 AM EDT

More than 36 million drivers are expected to hit U.S. roads over the Memorial Day weekend with Congress stuck in neutral over plans to renew federal transportation funding.

The Department of Transportation's Highway Trust Fund has been projected to run out of money as early as August without congressional action.

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The traditional source of money for road and transit projects is the federal gas tax, which is currently priced at 18.4 cents-per-gallon. That tax has not been increased since 1993, however, and the legislation that authorizes the government to collect it is scheduled to expire on Sept. 30.

The twin looming deadlines have produced uneven action in Congress as the summer travel season begins in earnest this weekend. AAA has predicted the second busiest travel weekend since 2005 this Memorial Day holiday.

The Senate has begun working on a bill that would extend the authorization to collect the gas tax and provide \$265 billion for road and transit projects over the next six years. The House has not yet unveiled a bill, however.

"Nothing [is] happening in the House when it comes to the highway bill," former Transportation Secretary Ray LaHood said this week. "Nothing introduced, nothing debated, no discussion and we're in a mess."

LaHood and other transportation advocates have pushed Congress to consider increasing the gas tax for first time in more than 20 years. The gas tax currently brings in about \$34 billion, but the transportation bill that is expiring in the fall includes more than \$50 billion of spending per year.

The Senate's proposal to renew the transportation measure would maintain current funding levels,

adjusted for inflation. The chamber has not revealed how it ends to pay for the gap between the current level of transportation spending and between and the gas tax revenue, however.

LaHood, during a press conference pushing for Congress to act on funding, said that even more money than the approximately \$16 billion shortfall was needed to repair the nation's infrastructure.

"This very, very tough winter that we all experienced has created an America that's one big pothole," he said.

"We need more revenue," LaHood continued. "We need to take the pot of money that built the interstate, that built all of this infrastructure that's now aging and falling apart and replenish it."

In the days leading up to the Memorial Day weekend, though, House transportation leaders remained quiet on the highway bill funding debate. They focused instead on a smaller \$12.3 billion bill to boost U.S. ports and waterways that was approved by both chambers and sent to President Obama.

Former Pennsylvania Gov. Ed Rendell (D) said at the same event with LaHood that it was time for lawmakers to put the same energy into renewing road and transit funding, despite the fact that the price tag would be significantly higher.

"It's stunning that there's inaction," said Rendell, now president of Building America's Future.

"The only liability is some fear of political consequences," Rendell continued. "We don't believe that's going to happen, but this country wasn't built by scared politicians."

Despite a push from transportation advocates, the idea of increasing the gas tax ahead of a midterm election has been a non-starter, even within the Democratically-controlled Senate.

Some conservative groups, though, argue that the funding impasse is an opportunity for Congress to remove itself from process of paying for roads and bridges altogether, through a process that is known in transportation circles as "devolution."

The Heritage Action group said it was opposed to the Senate's measure when it was released because it preserved the federal transportation funding system that has been in place since the gas tax was first implemented in the 1930s.

"One of the fundamental problems with current transportation policy is how money is being spent," the group said in a [blog post](#) on its website when the Senate bill was first released earlier this month.

"Funds are used on projects that states and local governments should fund," the Heritage Action blog continued. "This bill does little to change that."

Heritage Action is supporting a measure that was introduced last year by Sen. Mike Lee (R-Utah) that drastically reduces the gas tax to push transportation spending to states.

Lee's bill, which has been labeled the Transportation Empowerment Act (TEA), would reduce the gas tax to 3.7 cents within five years.

In lieu of the current gas tax system, the TEA Act would transfer authority over federal highways and transit programs to states and replace current congressional appropriations with block grants.

The devolution proposal has failed to gain traction beyond conservative groups like Heritage Action.

The Obama administration has suggested instead that lawmakers consider using approximately \$150 billion from a corporate tax reform proposal to fund transportation projects. But even supporters say it is unlikely that Congress would approve using those funds to pay for transportation.

Obama has called on lawmakers to approve a four-year, \$302 billion transportation bill that would increase annual infrastructure funding by about \$25 billion per year.

Lawmakers in the House have largely ignored Obama's proposal, arguing that the president needs to come up with a more viable way to pay for his transportation proposal.

LaHood said increasing the gas tax should receive more consideration and said voters would reward lawmakers who funded transportation projects.

"Politicians in Washington shouldn't be afraid to raise the gas tax," he said.

"When people know that money is going to go to fix up the roads in their communities, they're not going to throw politicians out of office," LaHood continued. "They're going to pat them on the back for having the courage and vision to replenish the Highway Trust Fund."

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