

House proposes \$10.5B, eight-month highway bill

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By [Keith Laing](#) - 07/08/14 05:20 PM EDT

The House Ways and Means Committee is proposing a \$10.5 billion, eight-month transportation funding bill to push the debate over road and transit spending into the next Congress.

The proposal, which was released Tuesday afternoon, calls for a temporary extension of current transportation funding levels until May 31, 2015.

The GOP proposal comes as lawmakers scramble to come up with a way to [replenish](#) the Department of Transportation's depleted Highway Trust Fund before a predicted August bankruptcy date.

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The traditional funding source for transportation projects has been revenue that is collected from the 18.4 cents per gallon federal gas tax. But the tax has struggled to keep pace with infrastructure expenses in recent years as cars have become more fuel efficient, and the authorization to collect it is scheduled to expire in September.

The Department of Transportation (DOT) has said that the gap between gas tax revenue and the current level of federal road and transit spending is in the neighborhood of \$16 billion per year. The agency has warned that a bankruptcy in the Highway Trust Fund would result in states taking a 28 percent cut in transportation funding and possibly cost 700,000 jobs.

The DOT has said it will begin [cutting back](#) on payments to state and local governments on Aug. 1 unless Congress reaches an infrastructure funding deal.

The GOP measure proposed Tuesday would reauthorize the collection of the gas tax for eight months and transfer \$10.5 billion from elsewhere in the federal budget to close the Highway Trust Fund shortfall.

The Ways and Means Committee said it would hold a markup of the proposal on Thursday morning.

The bill, the first proposal from House GOP lawmakers on transportation funding in weeks, came as lawmakers edged [closer](#) to a deal.

"The way I would characterize it is we are making progress on avoiding a shutdown that would in my view cost our country tens of thousands of jobs," Senate Finance Committee Chairman Ron Wyden (D-Ore.) told reporters earlier Tuesday.

The House Joint Committee on Taxation said Tuesday the proposal would be paid for by using \$7.7 billion marked for highways and \$2 billion for public transportation systems from the federal government's general fund.

The proposal would also take \$1 billion from the Leaking Underground Storage Tank Trust Fund, a funding mechanism also used in the last transportation funding bill that was approved by lawmakers in 2012.

The House has previously considered tying transportation funding to [cutbacks](#) at the U.S. Postal Service, but that plan was controversial with Democrats and labor groups that represented both transportation and postal workers.

Transportation advocates, as well as a few lawmakers, have pushed for an **increase** in the gas tax, for the first time since 1993, to help pay for infrastructure funding. Congress has been reluctant to ask drivers to pay more in the middle of an election year, however, and the White House has also said it opposes such a hike.

Under the GOP's proposal, the transportation funding would be offset by revenue from federal pension changes and a fee that is paid by travelers who use U.S. customs facilities.

Ways and Means Committee Chairman Dave Camp (R-Mich.) said the proposal would take \$6.4 billion from the "pension smoothing" and \$3.5 billion from the customs fees to balance out the Highway Trust Fund infusion.

Camp said Tuesday that the GOP proposal was "the only package with a proven history of getting big bipartisan votes in both the House and Senate.

"While it doesn't provide as much funding as I would like – enough to get through the end of next year – it does give Congress and the tax-writing Committees ample time to consider a more long-term solution to the Highway Trust Fund," Camp said in a statement released by his office.

"A funding package that would get to the end of next year would have required both sides to make much tougher decisions – something that sadly Washington does not appear capable of doing at this time," Camp continued.

Democrats in the Senate have suggested an extension that would carry federal highway funding only until the end of the year, arguing that lawmakers would be more likely to approve a long-term funding bill that possibly raises the federal gas tax in a lame-duck session.

Camp decried the lame-duck approach, however, saying, "Any effort that just goes to the end of this year will only lead to another backroom deal during the lame-duck session where only a very few members are present or have any say in the matter.

"I've been in that room enough, and it is time for the committees and the entire House and Senate to have the full influence they deserve," he said. "What troubles me most about a December 31, 2014 date are those using it as a ploy to stick the American people with a massive increase in the gas tax – just about the worst tax increase Congress could hit hardworking Americans with. So, I am seeking the reasonable middle ground of the end of May 2015."

-Bernie Becker and Alexander Bolton contributed to this report.

This story was updated at 6:02 p.m.

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