

Congress must fund highways

By Ray LaHood and Ed Rendell

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Imagine if you had to live today on the same salary you made in 1993. The cost of everything has gone up, but your paycheck can't keep up. If you went to see one of the most popular movies in 1993 — "Schindler's List" — your ticket cost \$4. Today a movie costs three times as much. Back then, you bought a gallon of milk for \$2.85, but today it costs \$3.55. And gasoline averaged \$1.11 a gallon in 1993, while today it is \$3.50.

It would be impossible to maintain your lifestyle if your salary hadn't moved an inch in more than 20 years. You and the nation's gas tax would now share the same pain. The 18.4 cent per gallon federal gas tax hasn't changed a penny since 1993. In inflation-adjusted terms, the gas tax has lost a third of its purchasing power and is worth only 11.5 cents today.

This is not just a lesson about inflation. This is important because the federal gas tax is the only revenue source for the Highway Trust Fund, which maintains our nation's roads and bridges.

Kentucky depends on federal money from the Highway Trust Fund in order to keep this state's infrastructure and transportation sectors running smoothly. In fact, Mike Hancock, the secretary of the Kentucky Transportation Cabinet, has noted that federal funds make up nearly half of the total surface transportation construction programs in this state. Insolvency of the Highway Trust Fund could lead Kentucky to delay their entire fiscal year 2015 capital program for a full calendar year.

Over the past 21 years, cars have become much more fuel efficient, and hybrids and electric vehicles that use little or no gas are on the rise. Between more fuel-efficient cars and a gas tax that is limping along, the Highway Trust Fund is running on empty.

The law that authorizes and funds national transportation policy will expire on Sept. 30 of this year. But the Highway Trust Fund is projected to run dry sometime in August. It sounds crazy that our Highway Trust Fund could go bankrupt, and we won't be able to pay to repair our roads and bridges, but unless Congress acts this is exactly what will happen.

To prevent insolvency, Congress must inject new revenue into the Trust Fund. Failure to do so would curtail critical construction projects and would kill tens of thousands of middle-class construction jobs, potentially during the peak summer construction season.

That would be terrible for our economy, which is just getting back on its feet. And it would have direct consequences here in Kentucky where \$833 million in federal highway funding and 100 critical bridge and highway maintenance projects all around the state are at risk.

The non-partisan Congressional Budget Office has estimated that the Highway Trust Fund needs an additional \$15 billion in revenue to stay afloat just for another year.

Congress could stave off this crisis by increasing revenue to the Trust Fund through a modest 10-percent increase in the gasoline tax. Such an increase would generate the \$15 billion needed to sustain the trust fund for another year. During that time, Congress could move forward with reforming the corporate tax code, which has been proposed by President Obama and the Republican chairman of the House Ways and Means Committee, Dave Camp. Both recommended that a portion of the revenue derived from corporate tax reform be directed to the trust fund, which would keep it flush for another 10 years.

As former elected officials, we fully understand the difficult politics of raising revenue. But while policymakers in Congress sit on their hands and the Highway Trust Fund runs on fumes, governors and local officials have been making the tough decisions and raising money to address their own local transportation challenges.

Last year, six governors approved legislation that raised either the state gasoline tax or sales tax — states led by Democrats and states led by Republicans. The public understands the importance of smart infrastructure spending and approved 91 percent of the ballot initiatives that sought to raise funds in last November's elections. So far this year, an additional six states have introduced bills or put forth proposals to raise their gas tax or index it to inflation.

Our colleagues in state governments are making tough decisions, but Congress always seems to wait for a crisis to reach a boiling point before they act. If they wait much longer, Congress runs the risk that the Highway Trust Fund will go bankrupt. Americans don't need more government gridlock, we need Congress to work together for the sake of our economy and the jobs that transportation funding provides.

Congress should act immediately to keep the Highway Trust Fund from going bankrupt.

The years of kicking the can down the pothole-filled road must end. Congress needs to make a real and sustainable long term fix for funding America's transportation system. The economic prosperity of our nation depends upon it.

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