

Highway Bill Detoured

R.G. Edmonson | Feb 1, 2010 5:00AM GMT

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Washington's focus on jobs and search for revenue keep transportation bill parked in Congress

The drumbeat of jobs, jobs, jobs in Washington and debate on financing have become major roadblocks to getting a six-year \$500 billion transportation bill into gear and onto a fast-paced road to passage.

Infrastructure advocates argue that investment in transportation infrastructure is a sure-fire creator of jobs. There's support for jobs and infrastructure on Capitol Hill, and the clamor for jobs will increase government investment in the latter. However, there's no guarantee Congress will go further and address surface transportation's long-term needs any time soon.

Six months ago, the House seemed poised for swift passage of legislation to reform the Department of Transportation and invest \$500 billion to upgrade highways and mass transit. With jobs now the center of attention on the Hill, the drive appears to have lost momentum.

Rep. James L. Oberstar, D-Minn., chairman of the House Transportation and Infrastructure Committee, introduced the six-year \$500 billion transportation bill. He vowed to have it through Congress by last Sept. 30, the date the preceding plan, SAFETEA-LU, was to expire. The legislation won broad bipartisan support, but stalled when the House couldn't find ways to pay for the plan that would cost nearly twice as much as its predecessor.

Jack L. Schenendorf, former vice chairman of the National Surface Transportation Policy and Revenue Study Commission, said Oberstar's bill met the two basic recommendations the commission made in December 2007.

"One was significant reform in the federal program to make it more accountable and performance-oriented. The second was a significant increase in investment," Schenendorf said. "Those things needed to be done and done urgently. We needed to get moving on modernizing our transportation system for the 21st century. That was our message. Obviously, it hasn't happened yet."

The Senate and the administration have come no closer to the goal, and the revenue problem remains a hurdle, Schenendorf said. "The administration's general position is we need more time to figure out what to do." The White House originally wanted two years to figure it out. The Senate wanted an 18-month timetable. Sen. Barbara Boxer, D-Calif., chairman of the Environment and Public Works Committee, put climate change higher on her priority list. Boxer faces re-election in November.

“Their approach would have been to wait another 18 to 24 months to settle things down, and figure out what to do. Oberstar doesn’t like that idea. He wants to keep pushing to do it now instead of later, but he’s got that revenue roadblock,” Schenendorf said.

Instead of a comprehensive bill, Congress passed short-term extensions of SAFETEA-LU, “because nobody can agree on what the interim extension should be,” Schenendorf said. “Even if the jobs issue didn’t exist, I don’t think we’d be any farther along.”

“Jobs are going to be the main energy that’s going to drive the political debate and action. I think all things are going to be shaped by jobs, regardless of the issue,” said John Horsley, executive director of the American Association of State Highway and Transportation Officials.

The House passed a jobs bill before it recessed in December, and a Senate version is due shortly. Both provide substantial sums for infrastructure investment. The White House likes the jobs bills, and Horsley believes Congress will make progress on a broader transportation bill, but in increments.

By March, Congress will have to pass another SAFETEA-LU extension, Horsley said. Without it, state officials will lose \$12 billion in funds available for transportation projects.

The Highway Trust Fund will need another infusion of money from general revenue. AASHTO projects the trust fund will be insolvent by the end of July. The Highway Trust Fund received \$7 billion from the general fund in 2008, and \$8 billion last year.

Horsley believes Congress should have a new transportation bill by year’s end, with enough revenue to sustain the trust fund.

“I don’t see that happening until after the 2010 election, hopefully as soon as possible after,” Schenendorf said. “I don’t see it happening before then, notwithstanding the good efforts of Chairman Oberstar.”

Horsley took the long view. After all, by the time Congress passed SAFETEA-LU, its predecessor plan had been extended two years past its 2003 expiration. “We’re not even a year late yet,” Horsley said. “We’re only four months into it.”