

House Subcommittee Reports Highway Bill

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By AED

In the first major development in several months on the highway reauthorization front, on June 24 the House Highways and Transit Subcommittee approved draft legislation to reauthorize federal surface transportation programs.

While the bill reported by the subcommittee does not include specific funding levels for individual programs, at a meeting with AED and other infrastructure advocacy groups earlier this month, House Transportation & Infrastructure (T&I) Committee Chairman James Oberstar (D-MN) outlined his plans for the legislation. According to Oberstar, the \$450 billion Surface Transportation Authorization Act (STAA) bill will include \$337.4 billion for highways, \$98.8 billion for mass transit, and \$12.6 billion for highway and motor carrier safety programs over six years. The highway funding is expected to include \$100 billion for Capital Asset Investment to begin restoring the National Highway System (including the Interstate System) and improve bridges. The specific funding numbers are expected to be incorporated into the legislation when it is marked up by the full T&I Committee in July.

Under Oberstar's STAA plan, the average annual investment level for the federal highway program over six years would be \$56 billion. That's considerably more than the roughly \$41 billion that the program currently receives (not counting the additional money in this year's stimulus bill), but significantly less than the amount AED and others have said is necessary to improve our nation's transportation system. Additionally, while the Oberstar and the legislation's other sponsors acknowledge that the Highway Trust Fund (HTF) will run out of money this summer, the bill does not provide a long-term solution to address the HTF's insolvency. During the June 24 mark-up, Highways & Transit Subcommittee Chairman Peter Defazio (D-OR) suggested a tax on energy speculation that he said would raise an estimated \$190 billion for the HTF. Chairman Oberstar apparently supports the proposal. The House Ways & Means Committee is responsible for determining how to raise the revenues for the HTF and will be holding several hearings over the course of the summer to consider the issue. AED has long advocated an increase in the gas tax highway user fee and transitioning to a vehicle miles traveled tax as the fiscally responsible way to pay for a bigger program.

As details of the Surface Transportation Authorization Act were being released, the Obama Administration announced its proposal for a short-term, 18-month highway reauthorization that would extend the current program and provide funding for the HTF through the end of fiscal year 2011. An 18-month extension would effectively delay final action on reauthorization until after the 2010 mid-term elections. The administration most likely took this approach given the unlikelihood that the Senate will consider highway reauthorization legislation before the current authorization expires on Sept. 30. Sen. Barbara Boxer (D-CA), the chairman of the Senate committee with jurisdiction over highway issues, has endorsed the administration's extension proposal.

Immediate reaction from T&I Committee leadership was that an extension of current law was unacceptable and that they would continue to push forward with the STAA. At the June 24 mark-up, nearly all of the members, both Democrats and Republicans, expressed similar sentiments. Construction industry groups, including AED, are concerned that delaying reauthorization for two more construction cycles will add to the current uncertainty in construction markets and squander the benefits of this year's infrastructure stimulus. However, given that administration officials have announced the HTF will run out of funding in August, it is likely Congress will need to pass some form of an extension to provide funding for the HTF in the short-term.

"We applaud Chairman Oberstar for taking this first important step in the highway reauthorization debate," said Toby Mack, AED president and CEO, in response to the release of the STAA plan. "We look forward to working with him and his colleagues in a bipartisan manner to quickly enact legislation that increases highway investment and provides long-term stability for construction markets."

As the highway debate takes center stage in Washington, AED has unveiled a new tool to help our members get involved in the process.

AED's new Highway Reauthorization Action Center has resources to help distributors learn more about the issues and influence the debate. In addition to background information on the nation's infrastructure needs, the site includes draft letters to members of Congress, a sample e-mail for distributors to send their employees, a draft op-ed for members to submit to their local newspapers, and a link to the highway reauthorization section of AED's grassroots Web site (AEDaction.org).