## \*\*\* File Explanation

This file is the result of an attempt to craft a Highway Trust Fund DA. Unfortunately, the position didn’t pan out. However, the evidence in this file may still be useful in other contexts — and others might find an argument where we did not.

## \*\*\* Normal Means

### Normal Means = General Revenue

#### Congress will fund the plan through general revenues—empirically proven.

Bloomberg 6/29 — Bloomberg News, 2012 (“Highway Deal Leaves U.S. Trust Fund in Bankrupting Cycle,” Byline Jeff Plungis and Angela Greiling Keane, June 29th, Available Online at http://www.sfgate.com/business/bloomberg/article/Highway-Deal-Leaves-U-S-Trust-Fund-in-3673804.php, Accessed 07-11-2012)

The hard-fought compromise on transportation that Congress cleared today doesn’t resolve the quandary that’s dogged U.S. lawmakers since 2009: There isn’t enough money to pay for what they want to build.

Instead of raising the U.S. gasoline tax, the largest source of revenue for road, bridge and transit spending, the legislation uses $18.8 billion in general taxpayer money, on top of fuel taxes, to keep spending at current levels through fiscal 2014.

“Congress was unable or unwilling to raise revenue to match their desired level of spending or cut their spending to match revenue,” said Erich Zimmerman, senior policy analyst with Taxpayers for Common Sense, a Washington watchdog group.

The bill’s passage today, by votes of 373-52 in the House and 74-19 in the Senate, marks the first time since the U.S. Highway Trust Fund was established in 1956 that Congress has authorized transportation programs that won’t pay for themselves, Zimmerman said. The non-transportation revenue sources, including changes to corporate pension rules, will take 10 years to pay for just over two years of transportation funding, he said.

Congress has dipped into the general fund to prop up highway and transit spending since the last long-term authorization, a four-year bill, ended in 2009. Since then, lawmakers have passed nine short-term extensions.

### Normal Means = Deficit Spending

#### The HTF can’t sustain transportation spending—the transportation bill proves that deficit spending is “normal means”.

McClatchy 7/3 — McClatchy News Service, 2012 (“Highway Trust Fund given $35B since '08 to keep going,” Byline Curtis Tate, July 3rd, Available Online at http://azstarnet.com/news/national/govt-and-politics/highway-trust-fund-given-b-since-to-keep-going/article\_c40da66d-28e0-53df-b9ae-2dd3aab632f5.html, Accessed 07-11-2012)

Last week, lawmakers in Congress approved a bill that keeps highway and transit spending at current levels for the next two years, but there was a catch: They came up nearly $20 billion short. Rather than cut spending or raise taxes to make up the difference, they tapped the U.S. Treasury, something they'd done three times already.

Transportation and budget experts say lawmakers can't have it both ways: The once-self-sustaining mechanism for highway spending no longer works the way it was intended.

For half a century, revenue from federal taxes on gasoline and diesel fuel paid for the nation's highway projects. But since 2008, lawmakers have transferred $35 billion in general funds into the Highway Trust Fund to keep it from going bankrupt.

Negotiators who sorted out the differences between the Republican-majority House of Representatives and the Democratic-controlled Senate call it a necessary compromise; fiscal conservatives call it deficit spending.

#### Transportation projects require deficit spending.

McClatchy 7/3 — McClatchy News Service, 2012 (“Highway Trust Fund given $35B since '08 to keep going,” Byline Curtis Tate, July 3rd, Available Online at http://azstarnet.com/news/national/govt-and-politics/highway-trust-fund-given-b-since-to-keep-going/article\_c40da66d-28e0-53df-b9ae-2dd3aab632f5.html, Accessed 07-11-2012)

There are potential solutions on the table, including increasing the gas tax or replacing it with another source of funding. Other plans would shift more responsibility for funding transportation projects to the states. But it took three years for Congress to agree to a two-year bill, and transportation experts say it's a shortsighted measure that delays making hard choices.

"We'd all love to budget by pretending we can pull money out of thin air," said Erich Zimmermann, a senior policy analyst for transportation at Taxpayers for Common Sense, a Washington budget watchdog. "This is clearly going on the nation's credit card."

### Normal Means = Single-Year Authorization

#### Multi-year transportation bills are no longer normal means.

Orski 12 — Ken Orski, Publisher of Innovation Briefs, 2012 (“The Days of Multi-Year Bills May be Over,” National Journal’s Transportation Experts Blog, May 24th, Available Online at http://transportation.nationaljournal.com/2012/05/not-waiting-for-the-feds.php, Accessed 07-11-2012)

The federal-aid transportation program will surely continue but there is a growing sense among the lawmakers on Capitol Hill that Congress may be forced to abandon the practice of multi-year authorizations. The prevailing fiscal and political environment makes it difficult if not impossible to raise hundreds of billions of discretionary dollars in a single legislative package.

At current levels of spending, a five-year authorization would require approximately $270 billion, but highway trust fund revenue and interest over the same time frame is projected to generate only $195 billion (CBO estimate)—leaving an unfunded shortfall of $75 billion. For a six-year bill, the unfunded shortfall would reach $90 billion. Where would that money come from (short of using the kind of accounting gimmickry that the Senate has been accused of doing in its MAP-21 bill )?

Hence, short-term bills (annual or bi-annual) requring only relatively modest amonts of offsets or general fund supplements may become the acceptred practice instead. The fact that the Senate has barely scraped up enough funds for a two-year bill while the House has been unable to come up with any plausible funding for its five-year bill, suggests that the days of multi-year transportation authorizations may indeed be over.

## \*\*\* Uniqueness

### Uniqueness — HTF Insolvent

#### The HTF will be bankrupt by 2014—CBO projection.

The Hill 12 — The Hill’s Transportation blog, 2012 (“CBO reports highway trust fund headed for bankruptcy in 2014,” Byline Keith Laing, January 31st, Available Online at http://thehill.com/blogs/transportation-report/highways-bridges-and-roads/207839-cbo-reports-highway-trust-fund-headed-for-bankr, Accessed 07-10-2012)

Transportation Secretary Ray LaHood said Tuesday that a Congressional Budget Office report that the highway trust fund would be empty by fiscal year 2014 shows President Obama has been right to call for increased funding for transportation projects.

The CBO predicted Tuesday that the deficit will rise to $1.08 trillion in 2012. Under the non-partisan agency's calculations, the highway trust fund, which funds road projects using collections from the federal gas tax, will be running on empty just two years after that.

#### The HTF will be bankrupt by the end of the next fiscal year—CBO.

Bloomberg 12 — Bloomberg News, 2012 (“U.S. Highway Trust Fund Faces Insolvency Next Year, CBO Says,” Byline Carol Wolf, February 1st, Available Online at http://www.businessweek.com/news/2012-02-01/u-s-highway-trust-fund-faces-insolvency-next-year-cbo-says.html, Accessed 07-10-2012)

The Highway Trust Fund, which pays for U.S. road, bridge and mass-transit projects, faces insolvency “sometime” during the 2013 fiscal year that will begin Oct. 1, according to the Congressional Budget Office.

The Highway Trust Fund will probably run a deficit of $10 billion this year, compared with $8 billion in 2011, the Washington-based CBO, which provides Congress with analysis on programs funded by the U.S. budget, said in a report today. The fund, which is financed through fuel taxes, won’t be able to meet its obligations next fiscal year, according to the report.

“Today America is one big pothole and we have lots of bridges that are crumbling,” Transportation Secretary Ray LaHood said in a speech in New York yesterday. “The Highway Trust Fund was a great source to build our interstate highway system, but it has been diminished.”

Revenue into the trust fund, primarily from U.S. fuel taxes, has declined as cars have become more fuel-efficient and Americans are driving less because of higher gasoline prices, according to the U.S. Department of Transportation.

#### The HTF is not solvent—massive, consistent shortfalls.

Laskoski 7/10 — Gregg Laskoski, Senior Petroleum Analyst for GasBuddy.com, former news reporter for Gannett Westchester Newspapers, 2012 (“How Fuel Economy Standards Hurt Government Revenue,” *On Energy—*a blog by *U.S. News & World Report*, July 10th, Available Online at http://www.usnews.com/opinion/blogs/on-energy/2012/07/10/how-fuel-economy-standards-hurt-government-revenue, Accessed 07-12-2012)

But, the bill ensures that highway and transportation funding remains at its current level only through the end of fiscal year 2014. Was it worth the effort? Many news organizations logically suggested that Congress needs to pass long-term legislation that does one of the following: A) raises the federal gasoline tax (18.4 cents per gallon) that hasn't been increased since 1993; B) transfers money from the government's general fund into the Highway Trust Fund; or C) finds a new revenue source that lets transportation projects materialize in a timely manner.

With the current U.S. budget deficit at $1.2 trillion, it's unlikely that the "general fund" will be able to make up for the Highway Trust Fund's perennial shortfalls as the Congressional Budget Office, known as CBO, says it expects a $10 billion deficit this year. The Highway Trust Fund probably isn't something we should place much trust in, come to think of it. Business Week's Carol Wolf reports that it's approached insolvency three times since 2008 and since 2001 it has spent more money than it has taken in every single year except for 2006. Regular folks can't do that, but if they did, trust would be hard to find.

#### The HTF isn’t generating enough revenue—multiple reasons.

McClatchy 7/3 — McClatchy News Service, 2012 (“Highway Trust Fund given $35B since '08 to keep going,” Byline Curtis Tate, July 3rd, Available Online at http://azstarnet.com/news/national/govt-and-politics/highway-trust-fund-given-b-since-to-keep-going/article\_c40da66d-28e0-53df-b9ae-2dd3aab632f5.html, Accessed 07-11-2012)

The Highway Trust Fund was designed to pay for roads with fees from their users, in the form of a tax on every gallon of motor fuel. But the current tax of 18.4 cents took effect in 1993 and has lost a third of its spending power since then, according to a report last year by the Carnegie Endowment for International Peace. And construction costs have gone up.

Meanwhile, cars have become more fuel efficient and gas more expensive, resulting in cutbacks on driving. Both mean less money for roads under the current structure.

#### Spending exceeds income now.

Bloomberg 12 — Bloomberg News, 2012 (“U.S. Highway Trust Fund Faces Insolvency Next Year, CBO Says,” Byline Carol Wolf, February 1st, Available Online at http://www.businessweek.com/news/2012-02-01/u-s-highway-trust-fund-faces-insolvency-next-year-cbo-says.html, Accessed 07-10-2012)

Spending Exceeds Income

The trust fund collected $36.9 billion in the fiscal year ended Sept. 30. It was authorized by Congress to fund $52.7 billion in highway and mass transit projects.

Congress has moved $34.5 billion to the trust fund from the general fund since 2008 to keep it solvent.

#### Fuel efficiency improvements are decimating the HTF.

Laskoski 7/10 — Gregg Laskoski, Senior Petroleum Analyst for GasBuddy.com, former news reporter for Gannett Westchester Newspapers, 2012 (“How Fuel Economy Standards Hurt Government Revenue,” *On Energy—*a blog by *U.S. News & World Report*, July 10th, Available Online at http://www.usnews.com/opinion/blogs/on-energy/2012/07/10/how-fuel-economy-standards-hurt-government-revenue, Accessed 07-12-2012)

The trust fund's big problem is that U.S. fuel consumption is declining and that decline is accelerating due to more fuel efficient vehicles. Part of the blame rests with the way the federal gas tax that feeds it is collected. It's a fixed amount, not a percentage that rises and falls with the price of gasoline. And if new federal mandates for Corporate Average Fuel Economy regulations remain in place, the Highway Trust Fund's revenue level stands to lose another $57 billion by 2022, according to the CBO.

#### The HTF is insolvent: transit diverts funding from core road projects.

Goff and Fraser 6/28 — Emily J. Goff, Research Associate in the Thomas A. Roe Institute for Economic Policy Studies at the Heritage Foundation, and Alison Acosta Fraser, Director of the Thomas A. Roe Institute for Economic Policy Studies at the Heritage Foundation, 2012 (“Transportation Conference Bill: Some Good Reforms, but Too Much Spending,” Heritage Foundation Issue Brief #3652, June 28th, Available Online at http://www.heritage.org/research/reports/2012/06/transportation-conference-bill-some-good-reforms-but-too-much-spending, Accessed 07-10-2012)

Continues Transit Diversion. The HTF is in an unhealthy state due to declining gas tax revenues, caused in part by changes in motorist habits, gas prices, and increasingly fuel-efficient cars. The diversion of up to 35 percent of funds to non-general-purpose road projects exacerbates this problem.

Transit programs are the most egregious recipient, siphoning off 20 percent of revenues. They are incredibly costly, do not deliver on promises to reduce congestion or improve air quality, and commit state taxpayers to paying operating subsidies for years to come that they cannot afford.

### Uniqueness — A2: Transportation Bill Solves

#### The transportation bill didn’t fix HTF shortfalls—they’re still inevitable.

Goff and Fraser 6/28 — Emily J. Goff, Research Associate in the Thomas A. Roe Institute for Economic Policy Studies at the Heritage Foundation, and Alison Acosta Fraser, Director of the Thomas A. Roe Institute for Economic Policy Studies at the Heritage Foundation, 2012 (“Transportation Conference Bill: Some Good Reforms, but Too Much Spending,” Heritage Foundation Issue Brief #3652, June 28th, Available Online at http://www.heritage.org/research/reports/2012/06/transportation-conference-bill-some-good-reforms-but-too-much-spending, Accessed 07-10-2012)

The bill spends too much, and to pay for this overspending, it contains transfers from the general fund, which are themselves paid for through new revenue streams. Some of the policy changes that yield new revenues are unacceptable, but beyond that, new revenue should not be used for new spending. The bill also continues diverting HTF funds to costly and wasteful transit programs.

Spending Is Too High. To fund transportation programs through 2014, the bill would spend $120 billion, or $60 billion per year. Though consistent with current spending levels, it is well above what the HTF will collect: According to the Congressional Budget Office, the trust fund will run out of money in 2013, meaning spending is clearly outpacing revenues.[3] Keeping spending within the limit of the trust fund puts pressure on lawmakers to return control of transportation programs and their funding to the states.

#### The transportation bill will only keep the HTF solvent for two more years.

Bloomberg 6/29 — Bloomberg News, 2012 (“Highway Deal Leaves U.S. Trust Fund in Bankrupting Cycle,” Byline Jeff Plungis and Angela Greiling Keane, June 29th, Available Online at http://www.sfgate.com/business/bloomberg/article/Highway-Deal-Leaves-U-S-Trust-Fund-in-3673804.php, Accessed 07-11-2012)

Without a long-term bill or another extension of previous law, U.S. authority to collect the 18.4-cents-a-gallon gasoline tax and spend on highways and transit would have run out tomorrow, cutting off money to states for programs funded by the Highway Trust Fund.

The Congressional Budget Office has said the fund’s highway account would run out of money during the fiscal year starting in October without additional income sources or spending cuts.

While it doesn’t solve the fund’s underlying issues, the bill exceeded what the U.S. Chamber of Commerce expected to get done this year, said Janet Kavinoky, the group’s executive director for transportation and infrastructure.

The measure expands the Transportation Infrastructure Finance and Innovation Act, or TIFIA, which leverages federal money with local funding, to $1 billion a year from $122 million annually. It will cut down the time needed to complete projects, Kavinoky said.

“It solves 27 months of problems,” Kavinoky said in a telephone interview. “If you’re setting your expectations from back pre-recession and pre-landmark turnover elections, you’re going to be disappointed.”

## \*\*\* Politics

### No Political Support For Funding Changes

#### No political support for alternative funding mechanisms.

Bloomberg 6/29 — Bloomberg News, 2012 (“Highway Deal Leaves U.S. Trust Fund in Bankrupting Cycle,” Byline Jeff Plungis and Angela Greiling Keane, June 29th, Available Online at http://www.sfgate.com/business/bloomberg/article/Highway-Deal-Leaves-U-S-Trust-Fund-in-3673804.php, Accessed 07-11-2012)

Transportation proponents will keep pushing for a long- term, sustainable funding source, Kavinoky said. Their work was made harder this time around because President Barack Obama and lawmakers ruled out a boost in gasoline taxes and alternatives such as more tolls or a tax linked to vehicle miles traveled.

#### No support for raising the gas tax.

Bloomberg 12 — Bloomberg News, 2012 (“U.S. Highway Trust Fund Faces Insolvency Next Year, CBO Says,” Byline Carol Wolf, February 1st, Available Online at http://www.businessweek.com/news/2012-02-01/u-s-highway-trust-fund-faces-insolvency-next-year-cbo-says.html, Accessed 07-10-2012)

President Barack Obama and Congressional Republicans have ruled out increasing the 18.4-cents-a-gallon gasoline tax, last raised in 1993. The U.S. Chamber of Commerce and Obama’s deficit-reduction commission have recommended increasing the tax by 15 cents a gallon.

#### Raising the gas tax is politically impossible.

Chicago Magazine 12 — Chicago Magazine, 2012 (“The Chicago Infrastructure Trust: A Sign of the Times,” Byline Whet Moser, March 16th, Available Online at http://www.chicagomag.com/Chicago-Magazine/The-312/March-2012/Good-Reads-on-Public-Private-Partnerships/, Accessed 07-12-2012)

Why the rush to privatize? It's pretty simple:

Total public spending on transport and water infrastructure has fallen steadily since the 1960s and now stands at 2.4% of GDP. Europe, by contrast, invests 5% of GDP in its infrastructure, while China is racing into the future at 9%. America’s spending as a share of GDP has not come close to European levels for over 50 years.

[snip]

America’s petrol tax is low by international standards, and has not gone up since 1993 (see chart 3). While the real value of the tax has eroded, the cost of building and maintaining infrastructure has gone up. As a result, the highway trust fund no longer supports even current spending. Congress has repeatedly been forced to top up the trust fund, with $30 billion since 2008.

Of course, raising gas taxes is close to politically impossible, both because it's a regressive tax and because prices have and will continue to rise as long as demand increases in developing countries (like, you know, China and India, which have a lot of consumption to go). Public-private partnership trusts and infrastructure banks allow the state to multiply government money with private-capital leverage. Absent cuts elsewhere or increased taxes, it's a politically appealing option. And it's a fairly old one, at least elsewhere. The United Kingdom ended up with extensive PPPs for reasons that should sound pretty familiar: rising oil prices and fiscal crisis combined with an increasingly conservative government (not just the capital-C Conservatives, but New Labour) squeezed infrastructure spending and increased the appeal of PPPs, much like has occurred in the U.S. over the past few decades.

#### It’s the third rail.

Reuters 12 — Reuters’ Macroscope blog, 2012 (“NY Transit shies away from “revolution”,” Byline Joan Gralla, April 30th, Available Online at http://blogs.reuters.com/macroscope/2012/04/30/ny-transit-shies-away-from-revolution/, Accessed 07-12-2012)

James Simpson, the commissioner of New Jersey’s Department of Transportation, said one past way of funding transportation – raising taxes on gasoline – was politically impossible. “You cannot raise the gas tax; it is the third rail.”

## \*\*\* Impact

### HTF Good

#### The HTF is key to transportation infrastructure.

Laskoski 7/10 — Gregg Laskoski, Senior Petroleum Analyst for GasBuddy.com, former news reporter for Gannett Westchester Newspapers, 2012 (“How Fuel Economy Standards Hurt Government Revenue,” *On Energy—*a blog by *U.S. News & World Report*, July 10th, Available Online at http://www.usnews.com/opinion/blogs/on-energy/2012/07/10/how-fuel-economy-standards-hurt-government-revenue, Accessed 07-12-2012)

When Congress passed the $105 billion Surface Transportation Extension Act in June, its first major transportation bill since 2005, it secured funding for the Highway Trust Fund, the critical key funding source that reimburses states for spending on roads, bridges, mass transit, and other transportation projects. That measure was essential to pay for hundreds if not thousands of badly needed infrastructure improvements.

#### Maintaining the HTF is key to public support for transportation infrastructure investment.

Darbelnet 11 — Robert L. Darbelnet, President and Chief Executive Officer of AAA, 2011 (“Don't Turn Back the Clock,” National Journal’s Transportation Experts Blog, January 10th, Available Online at http://transportation.nationaljournal.com/2011/01/highway-trust-fund-battles.php?comments=expandall#comments, Accessed 07-11-2012)

AAA joined many others in expressing strong objection to the proposed rule change in the House, which we believe will encourage transportation spending cuts in order to offset other government spending. Now is not the time to turn back the clock on transportation investment.

Governments at all levels have underinvested in transportation for decades. As the costs of building roads, bridges and transit systems have increased, revenues into the federal Highway Trust Fund have remained stagnant. Federal motor fuels taxes have not been increased since 1993 and have not kept pace with inflation or demands on the system. While many dismiss the gas tax as a relic and insufficient for the task, it remains the best vehicle we have at this time to address near term transportation program needs.

As we have said before, garnering public support for appropriate levels of transportation investment will require re-building a trust that has waned over the years as the federal transportation program has become more complex and convoluted. To reestablish trust with the motoring public, a clear vision, redefined federal priorities and increased accountability are required to ensure motorists understand the value of transportation and see real benefits from their investment.

We agree that transportation investment should be aligned with revenues and that reforms of the current program are required to make it more accountable to the public. The 112th Congress should make enactment of a reformed, more accountable, multi-year surface transportation authorization bill - with sufficient revenue - a top priority. Congress has delayed action on a long-term transportation bill for too long.

#### Maintaining the HTF is key to economic growth.

O’Sullivan 11 — Terry O’Sullivan, General President of the Laborers’ International Union of North America, 2011 (“Putting Politics Over Our Basic Needs,” National Journal’s Transportation Experts Blog, January 4th, Available Online at http://transportation.nationaljournal.com/2011/01/highway-trust-fund-battles.php?comments=expandall#comments, Accessed 07-11-2012)

The rule change proposed by House Republicans is a short-sighted policy that might allow them to score some political points now, but only by neglecting our country’s basic needs, putting its economic future at risk, and failing to create the good jobs that are essential to America’s economic recovery.

While the deficit is a serious problem that needs to be addressed, using the Highway Trust Fund as a scapegoat will, in the long term, only make America’s economic problems worse. With our global competitors, like China and India, investing 10 percent of their GDP on super-highways and other infrastructure, now is the absolute worst time to threaten the already small amount we invest in our own roads and bridges.

All over the country, we hear from contractors who say they can’t go forward with major equipment purchases and, most importantly, hiring large numbers of workers because of the lack of certainty surrounding federal highway investment. This rule change would only make that problem worse. Unemployment in the construction industry is staggering – nearly 19 percent. That number won’t go down if transportation investment is put at further risk.

Our highways and bridges are in poor condition and getting worse. Real progress won’t come by playing with rules inside the Beltway – real progress would be passage of a six-year surface transportation bill that invests in roads and bridges and creates millions of jobs at a time when we need them the most.

#### Investment will be scarce — maximizing its value is key.

Frankel 11 — Emil H. Frankel, Visiting Scholar at the Bipartisan Policy Center, 2011 (“Austerity and Investment,” National Journal’s Transportation Experts Blog, January 7th, Available Online at http://transportation.nationaljournal.com/2011/01/highway-trust-fund-battles.php?comments=expandall#comments, Accessed 07-11-2012)

The clash between enormous budget deficits and a ballooning national debt, on the one hand, and the need to promote growth in a fragile economy, still facing unacceptable levels of unemployment, on the other, will dominate domestic policy debates over the next few years. Transportation policy and funding decisions will not, and should not, be immune from the need to balance these competing values.

The new rules for spending, proposed by the House Republican leadership and adopted earlier this week, should be analyzed in the context of the need to balance these interests. Specifically, the elimination of the highway spending guarantee and the so-called "firewall," adopted in TEA-21 and re-enacted in SAFETEA-LU, make the decisions of the authorizers subject to limits established by appropriators and by the overall budget process. So, while the debate over this issue is one between competing national interests and values, it is also another chapter in a long struggle between authorizers and appropriators.

The bottom line is that we need more resources for investment in the nation's transportation infrastructure. Even in this uncertain economic environment, America must find the means to invest adequately in transportation facilities and systems. As the National Surface Transportation Infrastructure Financing Commission and the Bipartisan Policy Center's National Transportation Policy Project (NTPP) jointly stated last month, "Investment in transportation will be an important element in building the foundation for long-term economic recovery and growth. . . .[However,] it is of particular importance in these times of severe fiscal constraint that we invest scarce public resources more wisely and efficiently, in order to maximize the reach and impact of what we spend."

Raising the motor fuels taxes that support the Highway Trust Fund (HTF), in order to provide more revenue for transportation investments, and reforming the way that we spend money on transportation, in order to provide accountability for national goals and interests, is the proper course of action, one that will allow us to deal with competing investment needs and fiscal constraints at the same time. However, as others have noted, increasing revenues, in order to invest in economic renewal and growth, does not appear to be a likely outcome of the debate over surface transportation legislation in the new Congress.

We are, instead, likely to face the reality of fewer investment resources, even at a time when we should be investing more. The outcome over this new highway spending rule in the House of Representatives has reinforced the message that deficit spending will not be the answer for the HTF shortfall, and we already know that a gasoline tax increase is unlikely.

### Now Key Time

#### Now is the key time to make decisions about the future of transportation funding.

Jones 11 — Patrick D. Jones, Executive Director and Chief Executive Officer of the International Bridge, Tunnel and Turnpike Association, 2011 (“’Strangling’ Spawns Innovation,” National Journal’s Transportation Experts Blog, January 7th, Available Online at http://transportation.nationaljournal.com/2011/01/highway-trust-fund-battles.php?comments=expandall#comments, Accessed 07-11-2012)

I agree with all the respondents who say we have underinvested in transportation for a long time and we need to increase, not decrease those investments. I also agree with those who say we need predictability in the funding system so states can make appropriate plans. However, I most agree with a wise person who commented to me that a successful reauthorization may be a hindrance to innovation because it’s the strangling of the system that’s causing people to think outside the box. Those who say “yes, we need to debate what our priorities should be and how we should fund things…BUT NOT NOW” are dooming our country to continued band-aid fixes that never really fix the problem. In terms of highway funding, we are on a train that has been running off the rails for a long time. Two congressional commissions, the Bipartisan Policy Center report, and the recent Miller Center report all point us in a new direction that says change the way we fund the system to a vehicle miles traveled charge and improve the performance of the system. If we are not willing to begin to implement these changes now, we never will. The debate on our priorities and the best way to fund transportation will always be 5-10 years in the future. And the crisis will get deeper.