The Senate Finance Committee Thursday began consideration of a proposal to keep the Highway Trust Fund temporarily afloat but left town for the 4th of July holiday break without voting on the measure as chairman Ron Wyden sought to gain support of Senate Republicans. I also have my usual weekly roundup of news items and links on MAP-21 reauthorization, the future of the HTF, state activity on transportation revenues, public-private partnerships and tolling, and state multi-modal strategies.

**Wyden's PATH to Temporary Trust Fund Fix**

The Finance Committee plans to resume work during the week of July 7 on a measure to temporarily keep the Highway Trust Fund solvent after adjourning their markup session without a vote Thursday. The subject of the markup was a proposal from Wyden called the *Preserving America’s Transit and Highways Act of 2014* (or PATH Act). The original version of the legislation would have provided $9 billion to keep the trust fund solvent through December 31. Wyden proposed various tax code changes to pay for the plan, including a fee increase on heavy trucks over 97,000 pounds and distribution rule modification for pension plans.

But Republicans have voiced their opposition to the proposed pay-fors and Wyden introduced a modified version of his bill during the markup that would eliminate the truck fee modification and only provide $7.6 billion for the trust fund through the end of the year. A $750 million transfer from the Leaking Underground Storage Tank (LUST) Trust Fund appears to have bipartisan support as a possible pay-for. Republicans also reportedly want to rely more on program cuts and more lenient federal regulation rather than higher revenues.

Getting the trust fund just to December 31 is key because it would likely require Congress to debate a longer term measure in the lame duck session following the November election. But as Politico noted this week, “the partisan back-and-forth so far on the short-term bill isn’t a good sign, especially for those hoping for a six-year bill flying through the lame duck session.”

Prior to Thursday’s markup session, Tennessee Sen. Bob Corker, the Republican who is co-sponsoring a proposal to raise the gas tax called Wyden’s stopgap trust fund plan a “complete sham,” Transport Topics reported.

“Americans should be outraged and reject” the bill, he said. “We can either pay for this responsibly or shut down the road program until there is enough money in the fund.”

Some transportation advocates expressed disappointment as well after last week, when the bipartisan gas tax increase proposal captured headlines and won praise in some circles.

“We appreciate that Chairman Wyden has demonstrated his clear desire to tackle the tough issue of how we avoid an immediate transportation funding crisis,” AAA Auto Club Managing Director of Government Relations Jill Ingrassia told The Hill. “AAA agrees that Congress must act swiftly, but a
longer term, more stable solution needs to be the primary target, not a short-term patch.”

The stopgap funding bill did pick up one key endorsement from Sen. Barbara Boxer, the chair of the Senate Environment and Public Works Committee, which last month approved a bipartisan six-year bill to reauthorize MAP-21.

“(The Finance Committee’s) action is now necessary to stave off disaster, and I urge my Republican friends on the Finance Committee to join the Democrats to save the Highway Trust Fund,” she said at a news conference, The Hill reported [9].

**MAP-21 Reauthorization & the Future of the Highway Trust Fund**

- The Congressional Budget Office told Wyden this week [10] that even a six-cent gas tax increase wouldn’t raise enough money to keep the trust fund solvent and payments flowing to states. The increase would need to be about 12 cents to generate the $8 billion needed to make it through the end of the calendar year.
- Speaking of CBO, they also have a report out this month on “The Highway Trust Fund and the Treatment of Surface Transportation Programs in the Federal Budget,” [11] which outlines and scores the alternatives for funding surface transportation programs.
- Democrats on the House Ways and Means Committee are calling for a hearing [12] on the long-term needs of the Highway Trust Fund. Ways & Means Committee Chairman Dave Camp meanwhile is said to be considering options other than the Wyden plan “that have a history of bicameral, bipartisan support,” Politico reported [5].
- From the everything that comes around goes around department: Incoming House Majority Leader Kevin McCarthy told “Fox News Sunday” [13] last weekend he’s opposed to an increase in the federal gas tax and that he would rather see the government open up federal land for oil exploration and use the royalties to raise more revenue for the trust fund. If that sounds familiar, it was part of a House GOP leadership proposal circa 2011-2012 that didn’t make it into MAP-21, which was passed in 2012. Sen. John Thune, a member of the Senate Commerce Committee and Senate leadership, also touted boosting energy production as a path to infrastructure investment in a recent appearance on C-SPAN, Politico reported [14]. Earlier this year [15], by the way, aides and colleagues of House Speaker John Boehner said he had no plans to revive his old plan to link energy production and infrastructure.
- Fitch Ratings said this week that a gas tax increase needs to be paired with another revenue source to provide the funding necessary to meet America’s infrastructure needs, Better Roads reported. [16]
- This week there was also an indicator that the erosion of the gas tax as a revenue source is likely to continue. The Consumer Federation of America reported [17] that the average miles-per-gallon of new cars purchased in the United States has increased from 21 miles-per-gallon in 2008 to 25.6 mpg this year.
- Billy House of National Journal had a piece this week [18] on a continuing debate in Washington over whether the trust fund solvency issue constitutes an actual crisis.
- The Los Angeles Times weighed in in favor of a gas tax increase in a recent editorial [22].
- This recent piece in Roll Call [23] argues that conservatives are using the Highway Trust Fund debate as a means to get the federal government out of the transportation business.
- Deron Lovaas of the Natural Resources Defense Council points out in a recent blog post [24] about the gas tax proposal that a 2012 report from the Bipartisan Policy Center and Eno Center for Transportation [25] found that most states would take a huge hit from a reduced federal role in transportation.
Fast Lane: The Official Blog of the U.S. Department of Transportation welcomed a series of guest bloggers this week making the case for rescuing the trust fund and investing in infrastructure. Among them: Tampa Mayor Bob Buckhorn [26], City of Industry (CA) Mayor Tim Spohn [27], and Kentucky Gov. Steve Beshear [28]. In his post, Beshear writes: “Uncertainty about what will happen with the Trust Fund is already having an effect on construction programs in Kentucky and elsewhere. The Kentucky Transportation Cabinet has hundreds of millions of dollars worth of federal projects “shovel-ready,” meaning they could go to construction this summer. These projects run the gamut –safety measures, capacity improvement, pavement rehabilitation, replacement of old bridges, new construction. But the cabinet is seriously considering delaying at least a portion of these projects because of the financial risk. We just cannot be sure we will be reimbursed. This is not a partisan issue. It affects all Americans and will require a bipartisan solution.” Beshear goes on to suggest that the bipartisan effort between Kentucky and Indiana that led to beginning construction on the Ohio River Bridges Project, a project that had been on the drawing board for 40 years, might serve as a good example to Congress.

Alaska: The Alaska Public Radio Network reported recently [29] on how a proposed $900 million bridge across Knik Arm depends on winning a low-interest loan from the TIFIA program. And Alaska Dispatch had a piece [30] recently on the potential impact of federal inaction on the trust fund. Alaska has budgeted for $1.2 billion in transportation capital projects in the next fiscal year. More than 83 percent of that is funded by the federal transportation program, the article noted.

Michigan: Michigan Live reported this week [31] on how the pending trust fund insolvency combined with the state legislature’s decision to adjourn for the summer without passing a long-term road funding package are likely to exacerbate the state’s road funding crisis in the months ahead.

State Activity on Transportation Revenues

I talked with Dan Vock of Governing last week for his article “Road Funding Bills Get Cold Shoulders at Statehouses.” [32] It details how, unlike in 2013, many legislatures left the issue alone during their sessions this year. Rhode Island and New Hampshire were among the few exceptions, Vock notes. Delaware, Michigan and Washington were among the notable failures.

Massachusetts: Voters will consider a ballot measure this November to repeal part of the state’s 2013 transportation package thatindexes the state gas tax to inflation, the Transportation Investment Advocacy Center noted. [33]

Missouri: Proponents of Amendment 7, the referendum Missouri voters will consider in the August 5 state primary to increase the sales tax for transportation, officially kicked off their efforts to win support for the measure recently, The St. Louis Post-Dispatch reported [34]. Former state transportation commissioners Bill McKenna and Rudy Farber are leading the charge, defending the tax increase against critics who say it will unfairly burden taxpayers. They’re warning that if the measure fails, the lack of funding will take its toll on roads and bridges in the years ahead.

Oklahoma: The transportation nonprofit research group TRIP has a new report [35] out profiling the state’s efforts to modernize its transportation system over the past decade. The report finds that beginning with legislative action in 2005 and continuing through 2013, the state has had a sustained commitment to upgrade the condition and efficiency of its roads and bridges and to reduce traffic fatalities. But the report also notes that continued strong investment on the local, state and federal levels is vital to continuing the state’s momentum in growing the economy and keeping citizens safe.

Oregon: The state’s road usage charging program based on miles traveled, which will get underway next year, was the subject of a recent Twitter chat hosted by the International Bridge, Tunnel and Turnpike Association. The guest was Steve Morello, Senior Partner and Senior Vice President of D’Artagnan Consulting LLP, a company that has worked closely with the Oregon Department of Transportation on the program. Morello was one of the speakers at our 2013 Transportation Policy Academy in Portland. [36]
• **Texas:** A gas tax increase and increased tolling are among the options state legislators are considering to help raise what state transportation officials now say is a need for between $4 billion and $5 billion just to maintain existing roads, [WOAI News Radio reported](#) [37]. Voters will consider a proposition on the November ballot to divert $1.3 billion from the state’s Rainy Day Fund to roads. If that measure fails, the state’s unfunded gap will only get bigger (and the job of lawmakers tougher).

• **Utah:** Lawmakers are considering borrowing $1 billion through bonding to accelerate several major highway projects statewide that likely would not be completed in the next decade otherwise, [The Salt Lake Tribune reported](#) [38]. [Bloomberg News reported](#) [39] this week that despite borrowing costs at close to four-decade lows, many localities are refraining from raising new funds in the $3.7 trillion municipal bond market to fund infrastructure projects. Many are choosing to repay obligations instead after the recent financial crisis left them with unprecedented deficits.

### Public-Private Partnerships & Tolling

• **California:** The Transportation Agency for Monterey County and Caltrans are exploring the possibility of turning Highway 156 into a privately operated toll road in an effort to fund a long-delayed widening of the road that links the Monterey Peninsula and the Bay Area, [The Monterey Herald reported](#) [40]. Officials hope to enter into a partnership with a private firm that can help pay for and construct the $268 million widening project in exchange for a share of the toll road proceeds. Only about $44 million is currently available for the project and there are no other real prospects for new funding sources, officials said.

• **Indiana:** Spanish-Australian investor group Cintra-Macquarie, which operates the Indiana Toll Road under a 2006, 75-year, $3.8 billion lease agreement with the state, is facing difficulties making a debt payment, [the Associated Press reported](#) [41].

• **New York:** A state board this week authorized a $511 million loan to finance projects associated with replacing the Tappan Zee Bridge but a second board must still sign off on the loan before it can be executed and one of its members, state Sen. John DeFrancisco, has expressed skepticism about how the state plans to pay for the new bridge, including how tolls might be structured, [The Journal News reported](#) [42].

• **North Carolina:** Environmental groups have filed suit to stop the proposed $850 million Monroe Bypass, a toll road project near Charlotte, charging that state and federal transportation officials didn’t carry out an accurate assessment of the road’s potential impact, [The Charlotte Business Journal reported](#) [43].

• **Texas:** The Texas Department of Transportation is proposing converting existing HOV lanes on U.S. 75 in the Dallas area into partially tolled lanes, [The Dallas Morning News noted](#) [44]. Single-occupant vehicles would be allowed on the HOV lanes if they pay the posted toll while multi-passenger cars would continue to use the lanes for free but would need to register prior to accessing the lanes. TxDOT officials say [45] the plan would reduce congestion on the busy highway and that toll revenues collected would remain in the county to be used to fund future transportation projects. The conversion is estimated to cost $11 million, [WFAA reported](#) [46]. U.S. 75 is one of the Dallas area’s few remaining toll-free major highways.

• **Virginia:** A review by the Virginia Department of Transportation’s Assurance and Compliance Division and the Office of the State Inspector General has found that the process was not transparent enough as the administration of then-Gov. Bob McDonnell explored building a $1.4 billion toll expressway along U.S. 460, [The Richmond Times-Dispatch reported](#) [47]. While the review said the state had not broken any rules in pushing the public-private partnership project to build the 55-mile, limited-access expressway, it said the public-private process was not transparent in dealing with project risks, particularly in getting federal permits necessary to build the road through environmentally sensitive areas or assessing the effect of changes in road design. Current Gov. Terry McAuliffe shut down the project in March.
The Transportation Research Board’s Transit Cooperative Research Program looks at the legal issues involved in transit public-private partnerships in a recent research digest [48].

**State Multi-Modal Strategies**

**Transit**

- **Colorado:** The Atlantic City Lab looks at “How Denver is Becoming the Most Advanced Transit City in the West.” [49] Also, The Denver Post [50] looks at how the city is plotting strategy for the expected boom in development around transit stations and the newspaper examines [51] the role of the newly renovated Union Station in unifying the city.
- **Maryland:** Three environmental groups and some residents of the Chevy Chase neighborhood have notified the U.S. Fish and Wildlife Service and the Federal Transit Administration that they plan to file suit over the state’s proposed Purple Line light rail project because the agencies did not properly consider the project’s impacts on two rare shrimp-like creatures, The Washington Post reported [52].
- **Michigan:** City officials in Detroit have given the green light for construction to start this summer on the $137 million, 3.3 mile M-1 Rail streetcar line, according to The Detroit News. [53] And The Detroit Free-Press looked at [54] what has taken so long to get the project moving.
- **Missouri:** Kansas City is trying to balance competing visions for transit, The Kansas City Star reported. [55]
- **Virginia:** The New York Times reported [56] recently on how the Tysons area is anxiously awaiting the projected July 26 start of service [57] on the Metro’s Silver Line extension.
- The Government Accountability Office examines the role of the federal government in rural and tribal transit in a recent study [58].
- Progressive Railroading had a report [59] on the recent American Public Transportation Association Rail Conference in Montreal.

**High-Speed Rail**

- **California:** A Bay Area nonprofit is suing the state Air Resources Board for including the state’s proposed High-Speed Rail line among measures to reduce greenhouse gases because they oppose using cap-and-trade auction revenues on the project, The Fresno Bee reported. [60]
- **Texas:** The Federal Railroad Administration has approved conducting an environmental impact statement for a long-proposed Dallas-to-Houston high-speed rail line, The Dallas News reported. [61]

**Ports**

- **Louisiana:** Gov. Bobby Jindal has signed legislation to restructure the state Department of Transportation and Development by creating a new Office of Multimodal Commerce, LaPolitics News Service reported [62]. In creating the office, state legislators hope to better position the state to take advantage of potential business opportunities like the widening of the Panama Canal that the department is unable to focus on currently due to the massive backlog of transportation projects.

**Active Transport**

- A group of 371 mayors and other city leaders have sent a letter [63] to Senate Environment and Public Works Committee Chair Barbara Boxer in support of local control over transportation dollars for bike and pedestrian projects.
- Meanwhile, one of the amendments introduced to the Wyden temporary trust fund patch would prevent federal funds from being spent on the federal Transportation Alternatives Program, the program that helps fund bike and pedestrian projects, Streetsblog USA noted [64]. The amendment was offered by Pennsylvania Republican Senator Pat Toomey.
A new Federal Highway Administration report looks at the agency’s "Nonmotorized Transportation Pilot Program: Continued Progress in Developing Walking and Bicycling Networks." Under the program, FHWA provided over $25 million each to four pilot communities to construct pedestrian and bike infrastructure projects and programs. The new report includes the results of eight years of study on the four pilot projects and builds on a 2012 report.

Stateline reported this week on how in a bid to attract millennials, cities and states are promoting cycling.

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