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Transportation re-think

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Back during the administration of President Dwight Eisenhower, the original version of the Federal Highway Trust Fund was born, with the aim of dedicating funding to the interstate highways that now link America from corner to corner. The trust fund derives its revenue from the federal gas tax, which has remained at 18.4 cents a gallon since 1993.

Higher construction costs and today's more fuel-efficient vehicles have slowed that revenue flow to the point where the gas tax produces only about \$34 billion annually, far less than the approximately \$50 billion in annual trust fund expenditures. With today's gasoline prices hovering just above \$2 and the possibility that they will move ever lower, Republican Sen. Bob Corker of Tennessee believes the time is right to increase the gas tax by 12 cents a gallon over two years.

Under our current system, a gas tax increase would seem appropriate to help meet the needs of a highway and bridge system that is aging and increasingly in need of attention. Requiring users to pay for highway and bridge construction and maintenance is a rational approach, and that's exactly what the gas tax should do.

But what if Congress were to embark, instead, on a complete reform of the Federal Highway Administration — one that would leave the federal government responsible only for the interstate highway and bridge system? Then look to the states, private enterprise or public-private partnerships to take on the responsibilities for regional or local mass transit systems and the vast array of other transportation costs now financed out of the Highway Trust Fund?

That was the idea advanced before the Senate Finance Committee less than a year ago by Chris Edwards, the director of tax policy studies at the Cato Institute.

With gasoline prices hovering just above \$2 a gallon and the possibility that they will move even lower, it's the perfect time for a responsible Congress to consider something other than a short-term, feel-good approach to finally put the Federal Highway Trust Fund on a path to solvency.

The federal gasoline tax long has been the primary source of financing for the trust fund. But with higher construction costs and today's more fuel-efficient vehicles, that tax — last increased in 1993 — no longer produces nearly enough revenue to maintain the nation's highways and

bridges and meet other transportation needs. Current spending on transportation is about \$50 billion annually, and the gas tax produces only about \$34 billion annually in revenue.

For decades, Congress has helped create the trust fund problem. Money that should have been spent on highways and bridges was diverted to an array of other purposes. Wishful math — borrowing trillions of dollars and printing trillions more — has become a way of life in Washington. Meanwhile, the national highway infrastructure is aging and in need of increasing attention. A rational approach would be for users to pay for highway and bridge construction and maintenance. That's exactly what the gas tax should do. Increasing the tax and indexing it to inflation would address the now-perennial shortfall in transportation funds without further raising the deficit. But to do that takes political courage.

Republicans, now with majority control in both the U.S. House and Senate, have an opportunity to prove that they can break the Washington gridlock and get things done. We believe that, as much as they hate taxes, most Americans understand that our network of roads and bridges is of paramount importance in keeping our economy afloat. From Maine to California, that network has fallen more and more into disrepair thanks to two decades of congressional inaction. By showing some political leadership, Republicans could change that. Republican Sen. Bob Corker of Tennessee and Democratic Sen. Christopher Murphy of Connecticut already have seen the light. They have offered a bipartisan proposal to increase the federal gas tax by 12 cents a gallon over the next two years.

Not surprisingly, their proposal already has drawn fire from right-wing conservatives for whom any tax increase, for whatever purpose, is anathema. The Virginia-based Citizens for the Republic, which sports a portrait of President Ronald Reagan in its on-line logo, slammed the proposal, saying it would nullify the relief brought by declining gas prices. "It is utterly shameful," said Director Diana Banister, "that government and especially Republicans are moving to immediately steal ... opportunity from the consumer in order to pad its own wallet." Banister's only solution to meeting the transportation funding needs was to trot out the shopworn cliché that government should "look to its own internal waste, abuse and fraud."

Congressional Republicans worried about offending the no-tax-increase faction of the party should point out that the Highway Trust Fund is operating under a temporary extension that lasts only until May. Those who find a gas tax increase unacceptable should be asked to offer a viable long-term alternative that will restore our transportation infrastructure and keep it intact. There is no free lunch.