



Bailing Out The Highway Trust Fund Won't Fix America's Crumbling Infrastructure

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Federal transportation funding is set to expire at the end of this month when the Highway Trust Fund is slated to end. The House has just [voted to extend](#) the fund for two more months, and the Senate is expected to quickly follow suit. Most politicians, staffers, transportation lobbyists and pundits are bemoaning the poor state of our nation's infrastructure. Many of them claim that pouring more money into federal transportation will help the problem.

More federal funding of transportation projects on the backs of the taxpayers will only perpetuate poor highway infrastructure and prevent state, local, and free market solutions to our roadway woes. The responsibility for transportation needs to be returned to the states.

The Highway Trust Fund was set up in 1956 [to build interstate highways](#). It was part of the plan to make President Eisenhower's dream for a national highway system a reality. It was supposed to be temporary and expire in 1972. The fund's coffers are filled by [the gas tax and taxes on "other motor fuels."](#) In other words, it is an old fashioned wealth transfer. Taxes are spread throughout the country in the form of grants that fund about a quarter of the transportation projects being [carried](#) out nationwide. Chris Edwards of the Cato Institute [explained](#) that of the transportation projects funded through the fund, a quarter of them aren't even highway related.

The fund has proven impossible to sunset, as the legislation setting it up commanded, and continues to be extended by Congress. [It just keeps getting extended.](#) Part of the reason for the program's persistence is that politicians like to bring home transportation pork projects, appear at ribbon-cutting ceremonies for them, and issue press releases stating how they got the money for a local transportation project. If the fund is allowed to expire, the federal government loses the ability to influence state and local infrastructure initiatives, and members of the House and Senate lose opportunities to promote their own reelection. That is one of the primary drivers for its continued extension.

Why is the fund in economic trouble? It contradicts basic economics and good governance by taxing the people and diverting money from the free market to fund a federal bureaucracy. The

results are predictable. The fund spends more than it takes in, [according to the non-partisan Congressional Budget Office](#).

Rep. Paul Ryan (R-WI), chairman of the House Budget Committee, [stated](#) at a committee hearing he chaired in April, 2013, that over the next ten years, “[i]f we continue to do what we have done until last year, we will bail out the Highway [*sic*] trust fund with more borrowed money, and it would not be the first time. We bailed out the trust fund multiple times over the years to the tune of \$41 billion since 2008, in addition to the \$27.5 billion in the stimulus.”

So, the fund can operate at a deficit since Congress will always bail it out. There is no incentive for the program to be run well since politicians who benefit from it by bringing home transportation projects to prove their worth to voters, won’t let it fail. Or be meaningfully reformed. The unreformed federal program you know is better than the constitutionally reformed one you don’t. Who knows if reforms would benefit incumbent members of Congress, so why try?

Republican leadership in the House and Senate have exacerbated the fund’s problem this year by waiting until the last minute to address the fund’s shortfalls and expiration. They have failed to show bold leadership by transforming the broken transportation status quo. A year ago, Congress approved a one-year extension of the fund. Lawmakers have been on notice for a year that the fund needed to be fixed or extended. Republican leadership could have addressed the problem early in this session of Congress by debating and passing legislation about the fund well before it was set to expire. They didn’t.

Instead they employed a traditional tactic used by leadership: delay action on legislation until the last possible minute, manufacturing a crisis by claiming that there are now only hours left to act, and scaring members into a temporary extension of a bad program. Or even worse, a longer extension of a failed program with only minor reforms. It didn’t have to be this way.

Republican members have offered substantive alternatives to help address the mess the federal government has made of transportation. Rep. Scott Garrett (R-NJ) has a [plan](#) to “return primary responsibility for transportation and infrastructure projects back to the states without increasing taxes.” Rep. Thomas Massie has [introduced](#) legislation that would create reforms “by refocusing the Highway Trust Fund on its original and proper role of building and maintaining federal highways and bridges.” Rep. Virginia Foxx (R-NC) [has a bill](#) that would keep David-Bacon wage laws from applying to Highway Trust Fund projects, which would lower their costs. Congressional Republican leadership isn’t considering these bills, instead they are following the same worn-out and bankrupting path of messaging and maintaining the fiscally unsustainable.

The Founders created a limited federal government with few powers in part to keep it from taking on responsibilities that it would bungle. Better for the states to have these responsibilities, as the Tenth Amendment makes clear. Decisions taken by lawmakers closer to the people are more easily debated and altered. The Founders were right. The Tenth Amendment was necessary. And we have disappointed their plan for our country by ignoring it. It didn’t have to be this way.

