



Highway bill tangled like spaghetti junction

Susan Ferrechio
September 14, 2015

Now that Congress has returned from the August recess, House and Senate lawmakers have resumed efforts to come up with a multi-year deal to keep the Highway Trust Fund's road projects and infrastructure improvements up and running.

But the process will be politically treacherous and technically difficult, not to mention limited by a short time table.

The hurdle is higher than usual because House GOP lawmakers hope to use revenue from international tax reform to fund the measure, a non-starter with Senate Majority Leader Mitch McConnell of Kentucky.

Authorization for the Highway Trust Fund runs out Oct. 29.

That's just a few legislative weeks away, and lawmakers will be distracted by efforts to pass a government funding bill before the fiscal year runs out Sept. 30.

Some say given the obstacles, a long-term deal is out of reach.

"It's not going to happen," said Chris Edwards, director of Tax Policy Studies at the Cato Institute, a libertarian think tank. "I think they will just do another short-term bill."

With numerous impediments to a deal, lawmakers are already preparing for at least a short-term extension that would not require additional funding, but rather just a vote to authorize money that is left over and available to keep highway projects going for a little longer, one aide told the *Washington Examiner*.

"It's a possibility to watch for," the aide said.

Others, including Senate lawmakers from both parties, are more optimistic.

Speaking to the Public Policy Institute in California last month, Sen. Barbara Boxer, D-Calif., a top negotiator, said she believed a three-year deal can be achieved by the end of next month.

The Senate has already passed a long-term deal and the House, Boxer said, "seemed very ready to go," with its own plan.

Some transportation blogs reported the House will announce a plan to mark up its legislation in the coming weeks, but Transportation and Infrastructure Committee aides told the *Examiner* they had nothing new to announce.

The last time Congress passed a long-term highway funding authorization measure was in 2005. Since then, it has punted using dozens of smaller measures, including the three-month, \$8 billion bill Congress approved in July.

While there is always disagreement over Highway Trust Fund projects, the major obstacle is funding, or rather, lack of funding.

With the 18.4-cent gas tax able to pay for less and less of growing highway funding needs, lawmakers have been unable to come up with a new source of money that both parties, or even one party, can agree on.

The Republican-led Senate took a major step in July, passing a six-year, \$47 billion highway funding bill that would pay for the first three years by stepping up tax code enforcement and selling off 101 barrels of the Strategic Petroleum Reserve.

In the House, which Republicans also control, lawmakers are working on their own highway funding plan that would rewrite a portion of the U.S. tax code and use revenue raised from repatriating multinational corporations that earn profits in other countries.

McConnell has frowned on the House tax idea. Republicans have long pushed for tax reform to lower the overall tax rate, not for more government spending.

The top Senate tax writer, Sen. Orrin Hatch, who is chairman of the Senate Finance Committee, is "skeptical" of the House plan. But he's also "open if something can come to fruition," an aide said.