

# THE BOND BUYER

Monday, December 7, 2015 | as of 2:57 PM

ET

Infrastructure

## Obama Signs Five Year Highway Bill

by [Jim Watts](#)

DEC 6, 2015 9:57pm ET

DALLAS – President Obama signed a five-year, \$305 billion transportation funding bill on Friday.

The Senate had voted 83-16 to approve the measure late Thursday night, hours after the House passed the 1,300-page Fixing America's Surface Infrastructure Act (H.R. 22), by a vote of 359-65, with all the "no" votes coming from Republican lawmakers.

Two Democratic senators joined 14 Republicans in opposing the measure, including the three senators seeking the Republican nomination for president in 2016. Sens. Ted Cruz, R-Texas, Rand Paul, R-Ky., and Marco Rubio, R-Fla., were joined by Sens. Tom Carper, D-Del., and Elizabeth Warren, D-Mass. as opponents.

The five-year funding bill was adopted barely 24 hours before the midnight Friday expiration of a 20-day reauthorization of federal transportation funding that had been passed by Congress before the Thanksgiving recess. A multiyear highway bill is long overdue, said Transportation Secretary Anthony Foxx after the measure was adopted.

"After 36 extensions, hundreds of congressional meetings, two bus tours, visits to 43 states, and so much uncertainty, it has been a long and bumpy ride to a long-term transportation bill," he said in a release. "It's not perfect, and there is still more left to do, but it reflects a bipartisan compromise I always knew was possible."

The five-year bill allocates \$225 billion from the Highway Trust Fund to highways and \$60.9 billion for mass transit through fiscal 2020. It relies on \$70 billion of revenue offsets expected to be realized over 10 years to cover the \$15 billion per year gap between expenditures from the fund and dedicated revenues that flow into it.

Revenues dedicated to the HTF, including the federal gasoline tax of 18.4 cents per gallon and diesel tax of 24.4 cents per gallon, are expected by the Congressional Budget Office to total \$208 billion through fiscal 2020.

Rep. Bill Shuster, R-Pa., chairman of the House Transportation and Infrastructure Committee, said hearings will begin soon to find a sustainable revenue source for the HTF before the five-year bill expires.

"As soon as the president signs this, we've got to bring the stakeholder community to the table,"

said Shuster, who chaired the conference committee that resolved differences between versions of a six-year funding bill adopted by the House and Senate.

The revenue offsets in the bill include \$53.3 billion from capping the Federal Reserve System's surplus account at \$10 billion, \$7 billion from a reduction in the Fed's dividend to large member banks, and \$6.2 billion from a sale of 900 million barrels of oil from the Strategic Petroleum Reserve.

The FAST Act provides five years of funding predictability for states and fewer federal regulations on infrastructure projects but doesn't solve the HTF's fundamental revenue problem, said Peter Ruane, president of the American Road & Transportation Builders Association.

"In four years, state transportation departments will again be staring at a looming funding abyss," said Ruane, who has advocated for an increase in federal fuel taxes to support more robust transportation funding.

"Congress and the Obama Administration again sidestepped a golden opportunity to put the federal highway and transit investment program back on solid financial footing for the long-term," he said.

The conservative group Heritage Action criticized the transportation bill's revenue offsets as a continuation of misguided policies. Heritage had recommended a 'no' vote and said it will consider the highway bill as a key issue when it compiles legislative scorecards in 2016.

"It represents a Congress that refuses to make the tough choices and instead relies on gimmicks to finance its spending appetite," the group said. "The outcome represents a caricature of congressional negotiations: One chamber proposes an unsustainable spending bill, the other proposes even more spending, and they 'negotiate' a level even higher."

The U.S. Chamber of Commerce recommended a 'yes' vote on the five-year bill and also said it will consider the issue as a key vote in its legislative ratings.



© 2015 [SourceMedia](#). All rights reserved.

[Mobile Version](#)