

THE BOND BUYER

Congressman floats Treasury infrastructure bond plan

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The chairman of the House Transportation and Infrastructure Committee favors creation of a series of Treasury bonds dedicated to transportation that would be paid for by indexing the federal gasoline tax.

The last estimate was the added revenues from inflationary rises in the gas tax could allow \$500 billion of bonds to be sold over 13 years, Rep. Peter DeFazio, D-Ore., told reporters Wednesday immediately after addressing a conference held by the American Association of State Highway and Transportation Officials.



Bloomberg News Rep. Peter DeFazio, D-Ore., is chairman of the House Transportation and Infrastructure Committee

“You would not in any way obligate the existing gas tax,” DeFazio said. “You would index it and then you would issue bonds based on the projected income. And it could be a very healthy influx into the highway trust fund very quickly.”

DeFazio expects his committee to complete work sometime in April on major infrastructure legislation covering highways, bridges, mass transit, rail, wastewater, harbors and airports. He told reporters the proposed draft legislation will be introduced next month.

But jurisdiction over the revenue to pay for that legislation lies with the House Ways and Means Committee, and DeFazio is not on that panel.

Rep. Rodney Davis, R-Ill., the ranking Republican on the Subcommittee on Highways and Transit, told AASHTO members a bipartisan agreement on funding a new infrastructure bill will need a diversified portfolio approach. He said it should be analogous to how a prudent investor diversifies a 401(k).

Davis predicted a successful approach would combine a gas tax increase, a vehicle miles traveled fee and electric car fees.

“When we talk about VMT versus gas tax, we get nowhere,” Davis said.

Davis said if the House can pass a bipartisan bill before the current authorization expires at the end of September, he expects the House and Senate can reconcile their differences, since “probably 95% of the policies that are in the Senate bill” are noncontroversial.

Rep. Earl Blumenauer, D-Ore., told AASHTO members in a separate address lawmakers have decided not to wait for an infrastructure plan from the Trump administration.

Blumenauer said he personally has no confidence in the White House as a partner. “Donald Trump contradicts himself before he finishes his statement,” he said. “He is not a reliable partner to provide the foundation.”

Instead, Blumenauer suggested the administration would support bipartisan legislation if lawmakers can reach an agreement on infrastructure.

“I’ll guarantee you that if it starts moving and looks like it will be successful, Donald Trump will be at the head of the line,” Blumenauer said.

DeFazio told reporters he suggested to House Democratic leadership that his chamber should dedicate a week to passing various infrastructure bills.

In addition to the highway, transit, wastewater, airports and harbors bill his committee plans to bring to the House floor, DeFazio said other committees are

planning legislation on school construction, affordable housing and expansion of broadband.

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