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Infrastructure

House Approves Short-Term HTF Fix

by <u>Jim Watts</u> JUL 15, 2015 3:21pm ET

DALLAS — The House on Wednesday voted 312 to 119 to approve a bill that would extend federal transportation funding through Dec. 18, with an \$8.1 billion transfer from general funds to the Highway Trust Fund.

The measure proposed on Monday by Rep. Paul Ryan, R-Wis., chairman of the House Ways and Means Committee, would maintain the flow of reimbursements to states for highway and transit projects through that date.

"We want to get to a long-term, six-year highway bill," Ryan said during Wednesday's floor debate. "We're not going to get there in the next two or three weeks. It's going to take two or three months."

The Senate is working on a two-year transportation bill, he said.

Rep. Bill Shuster, R-Pa., chairman of the House Transportation and Infrastructure Committee and co-sponsor of Ryan's HTF fix, said there's not enough time to pass a multiyear bill before the current two-month extension ends July 31.

"I believe we can get there, but we can't get there in the next three weeks," he said. "We are committed to a six-year bill."

Lawmakers rejected a proposal by the Democrats to replace the Ryan bill with President Obama's six-year, \$478 billion Grow America Act funded with \$240 billion of gasoline and diesel tax revenues and \$238 billion from a mandatory 14% tax on overseas corporate earnings.

"This bill represents what the House should be taking up today on surface transportation," said Rep. Peter DeFazio, D-Ore., one of the sponsors of the Obama proposal and the ranking Democrat on the House Transportation and Infrastructure Committee.

The \$8.1 billion transferred from the general fund will require a similar amount of offsets over the next 10 years. The offset revenue includes \$3.1 billion of airline passenger security fees and \$5 billion from enhanced tax compliance.

President Obama reluctantly supports the HTF extension only in the hope that it leads to a long-term bill before the end of the year, the Office of Management and Budget said Wednesday morning in a Statement of Administration Policy.

The need to keep federal transportation reimbursements flowing to states during the busy summer construction season is an "unfortunate reality" created by a series of short-term HTF fixes, OMB said.

The Transportation Department notified state officials earlier this week that federal reimbursements for road and bridge projects could come to an end Aug. 1 without congressional action on the HTF.

"The administration expects that Congress will use this five-month extension to pass a multiyear bill with significant increases in investment to address the system's maintenance and repair deficit, enhance safety, and lay the foundations for future growth in critical areas like freight movement," the statement said. "The administration will not support continued failure to make the investments the nation needs."

The Senate is expected to take up a transportation bill on Thursday, but Majority Leader Sen. Mitch McConnell declined to provide specifics after Tuesday's weekly Republican caucus. McConnell said he was "fairly optimistic" about a long-term measure.

"There's a lot of bipartisan enthusiasm for a multiyear highway bill," he told reporters.

"We've had some conversations inside our conference about a way to pay for that, and I've also had conversations with prominent Democrats that were involved in this issue," McConnell said. "We're hoping to be able to come together behind some way to get a multiyear highway bill."

Senate Minority Leader Harry Reid, D-Nev., was unenthusiastic about Ryan's HTF proposal.

"I don't know what the House is going to do," he said. "I'll take a look at it."

The Senate Environment and Public Works Committee in June unanimously approved a six-year, \$277 billion highway-only bill that does not deal with the \$100 billion revenue shortfall in the HTF over that span.

Sen. Ted Cruz, R-Texas, a candidate for the Republican nomination for president in 2016, said on Wednesday he would filibuster a transportation bill that includes a provision reauthorizing the Export-Import Bank as McConnell has proposed.

"I'm willing to use any and all procedural tools to stop this corporate welfare and this corruption from being propagated," Cruz said.



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