



## MEMORANDUM

**To:** Randy Iwasaki, Executive Director - Contra Costa Transportation Authority  
**From:** Brian Sowa, Keystone Public Affairs  
**Subject:** February Update  
**Date:** February 17, 2015

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### Highway Trust Fund

As previously noted in prior updates, the Highway Trust Fund will run out of funds and the current extension is set to expire at the end of May. Congress continues to be no closer to agreement on how to shore up the trust fund than when it punted the task by passing a short-term extension last summer.

Late last month, Senate EPW Chairman Jim Inhofe held a full committee hearing on the highway and transit bill). The hearing will emphasize hearing emphasized the threat that businesses, states, and workers face due to the impending insolvency of the Highway Trust Fund. Secretary Foxx was quoted in the hearing as stating "We must do something dramatic -To hell with the politics," urging lawmakers to put aside their differences and reach agreement on a long-term bill.

As part of President Obama's FY15 budget proposal, the Administration announced a new six-year, \$478 billion version of the GROW America Act to replace the previous four-year, \$302 billion proposal. The new proposal, which would combine the \$238 billion in estimated revenue generated from the 14 percent repatriation tax with \$240 billion in estimated gas tax revenues, would fund highways at just over \$51 billion in FY 2016, which would increase to \$54.4 billion in FY 2021. Transit programs would see a significant increase, starting at \$18.2 billion in FY 2016 (\$13.9 billion of which is for transit formula grants) and increasing to \$20 billion in 2021. The GROW America Act also requests \$7.5 billion over six years for the TIGER grant program, increases NHTSA funding from \$830 million in 2015 to \$1.08 billion in 2021, and proposes \$935 million over 6 years for Intelligent Transportation Systems (ITS), including \$158 million in FY 2016 to advance vehicle automation and vehicle-to-vehicle communication technologies.

House T&I Chairman Bill Shuster held his first hearing on the reauthorization on Wednesday February 11<sup>th</sup>, where again Secretary Foxx pushed for a long term bill. Foxx said he's hopeful something big will happen this year, stating it all starts at the ground level, out on the road. "I just think the more awareness we can build in the minds of the everyday person, that we don't have to be stuck, we can actually choose the future," he said. "That's the message and frankly, there are enough Americans out there that are frustrated, stuck in traffic and see what's coming around the corner that it's actually not a hard message to deliver."

While Shuster and Inhofe have begun action on the reauthorization, the biggest hurdle continues to be how to pay for it. The two chairmen say they plan to work more closely with the House and Senate tax-writing committees before producing a multi-year bill. "What I'm not going to do is come out and do ... what she did last time, say 'this is our bill' and now this is their problem, let them try to them to fund it," Inhofe said. Shuster stated: "Wait until we get the funding and let's craft a bill that we know what the timeframe is. And I think that makes more sense to me," he said. "We're drafting [a bill] right now as we speak, but the driving force behind it is going to be the funding. We don't want another two year bill, we want a five, six year bill."



House Ways and Means Chairman Paul Ryan says he sees a window for a tax rewrite this year, but it has to be done by the summer to move. He did leave the door open to using tax reform to help pay for the shortfall in the Highway Trust Fund.'

"If we can get comprehensive tax reform that can help fix this,' he said, it is an option. 'The only way repatriation can actually work to help with the Highway Trust Fund problem is through comprehensive tax reform.' He said short-term tax holidays and deemed repatriation don't work. If tax reform doesn't happen, he will be forced to find the funding from another source.'

### **Key Dates**

CCTA Washington DC Visit – April 12 – April 15 (Meetings to be scheduled with Department of Transportation, Congressional Offices and Committees, Trade Associations)

Highway Authorization Expires – May 31, 2015