

## Talk Is Not Cheap—It’s Actually Costing Us a Lot

### COMMITTEE REPORT



*Elizabeth Cousins (WTS Los Angeles Legislative Chair and Nossaman attorney), Photos © John Livzey, 2015*

When it comes to U.S. transportation funding, history repeated itself again. On July 31, 2015, Congress passed a three-month extension of the current transportation funding and authorization law, MAP-21, that will provide \$8 billion to allow current project funding and implementation to continue. This is nothing new. According to *US News & World Report*, since 2009 Congress has passed 34 short-term extensions like this one.

WTS Los Angeles Legislative Chair and Nossaman attorney Elizabeth Cousins (above) explains the likely impact of yet another stopgap bill, while highlighting possible long-term proposals that have been put forward in Congress.

“*The GROW AMERICA Act* was proposed in President Obama’s budget in February 2015. It builds on a bill of the same name proposed by the Administration in 2014, and is intended to supply \$478 billion over six years to modernize transportation infrastructure. But because it’s the Administration’s proposal it is unlikely to garner sufficient bi-partisan support for approval.

“*The Boxer/Paul Invest in Transportation Act of 2015* was an earlier bill that looked to extend the Highway Trust Fund and motivate the private sector to invest in infrastructure through tax breaks. It promised to ‘boost economic growth and create jobs by providing an incentive for companies to bring back some of the estimated \$2 trillion in foreign earnings that are being held overseas.’ This bill, however, arguably delays a permanent structural solution to infrastructure funding, given it’s a proposed one-off funding repatriation benefit. There are also questions as to the accuracy of forecasted revenue. So despite its bipartisan approach, many questions remain about its accuracy and efficacy and further analysis would be required for such a proposal to move forward.





“Senators Boxer and James Inhofe have also proposed *The Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act*, a six-year, surface transportation reauthorization bill. It, too, has bipartisan support and was passed by the Senate, incorporating an amendment that would reauthorize the Export-Import Bank and with guaranteed funding for a three-year period created through a one-off package of offsets totaling \$47 billion. While it’s a step in the right direction, some of the proposed offsets, such as a proposal to sell off 100 million barrels of oil in the Strategic Petroleum Reserve, have already met with opposition and Congress

would need to find an additional \$51 billion in 2018 to fully fund the Act. Further, House Majority Leader Kevin McCarthy, R-Calif has already suggested that the DRIVE Act, incorporating the Export Import Provisions, will not clear the House.”

Cousins reports that there are several other proposed solutions—from raising the gas tax to instituting a user-based fee on miles traveled—but both seem very unlikely given the current lack of across-the-aisle goodwill.

She warns that Californians need to pay close attention to how this resolves.

“The latest three-month extension implemented through H.R. 3236, the *Surface Transportation and Veterans Health Care Choice Improvement Act* is a start, with Congress promising to continue debate on its long-term version of a reauthorization bill and a proposed bicameral conference in September to resolve outstanding issues. I believe the House will craft its own bill (at a minimum excluding Export Import Bank). But, without a bi-partisan solution, we may again, end up with another short-term bill. These short-term solutions are causing problems around the country. It puts the onus on states to fund and execute their own projects. That means projects can lack an integrated national vision as well as making maintenance and long-term planning extremely difficult. Earlier in the year Governor Brown estimated that deferral of highway maintenance in California alone will cost the state \$59 billion. So a real long-term national solution is imperative. Unfortunately, as long as Congress continues to apply Band-Aid solutions to transportation funding, we will continue to lose value and the benefits of long-term transportation planning.”