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Transportation Leaders Release Statement on Deficit Commission Draft Proposal

(WASHINGTON, D.C.)—Leaders from a diverse coalition of transportation interests today released the following statement:

“We commend Chairmen Bowles and Simpson for recognizing in their recommendations to the National Commission on Fiscal Responsibility and Reform the critical role surface transportation improvements play in the nation’s overall fiscal and economic health. Specifically, we strongly support their proposal to phase-in a 15 cent federal motor fuels tax increase to ensure the U.S. surface transportation network is strategically upgraded to promote and accommodate future economic growth.

“The co-chairs recommendation should not be a surprise. The infrastructure investment component of the proposal is consistent with the recommendations of two independent, bipartisan commissions established by Congress in the last major transportation bill, SAFETEA-LU. Both the National Surface Transportation Policy and Revenue Study Commission (NSTPRSC) and the National Surface Transportation Infrastructure Financing Commission (NSTIFC) recommended increased federal investment in transportation infrastructure and recommended that it be paid for by users in a variety of ways, including an increase in the federal motor fuel fee. The NSTPRSC recommended an increase of 25 to 40 cents-per-gallon. The NSTIFC recommended an increase of 10 cents-per-gallon. Both commissions analyzed this problem and acknowledged the fact that public private partnerships have limited applications and are not a substitute for core federal investment. The NSTPRSC, the NSTIFC, and now the leaders of the National Commission on Fiscal Responsibility and Reform all recognize the stark choice facing decision makers today is either raise the federal motor fuels rate or make massive general fund transfers into the Highway Trust Fund.

“We support this latest recommendation because it reinforces the long-standing policy of pay-as-you-go financing by system users as the foundation of the federal surface transportation program’s success over the past half century. Capital investments, like highway and public transportation improvements, are long-term activities that require the financial stability generated from recurring revenues. This user-pay construct has assured the federal surface transportation programs are fiscally responsible and largely deficit neutral. It is also important to recognize that a small portion of the public transportation program has been historically funded with general funds. These contributions meet critical needs and should be continued.

“The proposed increase in the federal motor fuels tax would have two immediate and tangible results. The new revenues would help stabilize the Highway Trust Fund, which the Congressional Budget Office currently forecasts would require \$34 billion in General Funds to prevent devastating cuts in federal highway and transit investments though FY2016.

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