



For Immediate Release  
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**Hearing Statement of Senator Max Baucus (D-Mont.)  
Regarding Transportation Infrastructure**

The prophet Isaiah said: “Build up, build up the road! Remove the obstacles out of the way of my people.”

And so we are here today to discuss our roads, our bridges, and our airways. We are here to discuss our transportation infrastructure: what it is, how it’s funded, and how we can improve it. We are here to see whether we can remove some obstacles, out of the way of the people.

And there are many obstacles.

Economists tell us that road congestion costs Americans \$78 billion a year in lost hours and wasted fuel.

Engineers tell us that more than one out of every four American bridges is structurally deficient — like the bridge that collapsed in Minneapolis last August. Even on our Strategic Highway Network — which supports U.S. Military operations — more than one out of every seven bridges is structurally obsolete.

And our own eyes tell us that our transportation network is getting more clogged. We wait on the tarmac. We wait in traffic jams. We spend more of our lives waiting to get somewhere.

And the trends are daunting. By 2020, U.S. freight volumes are projected increase 70 percent above their level ten years ago. By 2050, the U.S. population will reach 420 million, 50 percent more than it was in 2000. As America grows, our infrastructure also needs to grow. And if it doesn’t grow smartly, we will suffer the economic consequences.

To complicate matters, the sources of funding for transportation infrastructure are in jeopardy. The Highway Trust Fund, established in 1956 to fund our national transportation infrastructure, now faces a severe revenue shortfall.

The Congressional Budget Office, represented today by Director Peter Orszag, tells us so. So does the Office of Management and Budget.

In February, OMB estimated that the Highway Account would face a shortfall in 2009 of more than \$3 billion.

What was bad news in February has become even worse news today. The Highway Trust Fund relies on fuel taxes for 90 percent of its revenues. And as fuel prices have risen to record highs, people have cut back on driving and bought less gasoline. As a result, receipts of those fuel taxes have declined sharply. In May, the Treasury Department reported that compared to last year, Highway Trust Fund receipts are down more than \$2 billion.

We will get Treasury's revised estimate of Highway Trust Fund balances next week, when OMB issues its mid-session review. This Congress must act to make sure that the Highway Trust Fund remains solvent.

Failing to do so could cause federal transportation funding to be cut by more than a third. Industry experts have calculated that funding cuts of this magnitude would result in about 380,000 lost jobs. That's almost as many jobs as have been lost in the entire economic slowdown since the beginning of this year.

America's infrastructure is crumbling. America's economy is stumbling. In times like these, it would be deeply irresponsible for Congress not to provide a short-term fix to the Highway Trust Fund.

This Committee has been trying to shore up the Highway Trust Fund's finances for more than a year. We tried to do so most recently in June, as part of an extension of another vital infrastructure program — the Federal Aviation Administration.

But a small number of Senators blocked our efforts. So we will try again, perhaps this month.

Some suggest holding off on fixing the Highway Trust Fund until the next long-term reauthorization of the program. That's due in 2009. I strongly disagree.

When Congress passed the last transportation bill, it provided funding guarantees to states through fiscal year 2009. As we turn our attention to the next reauthorization, we must honor those guarantees. Now is not the time to revisit the carefully-balanced compromises of the last bill.

I am not suggesting that the system is perfect. The Government Accountability Office will testify today that our surface transportation programs are short on more than money. GAO says that our transportation programs are also short on objectives and accountability.

GAO contends that what began as a bold national plan to establish the Interstate Highway System has become a disparate series of programs lacking a clear national purpose.

I look forward to exploring GAO's testimony on how we might improve our surface transportation programs. I look forward to working through these difficult issues, as we prepare for Highway Trust Fund reauthorization in 2009.

And I also look forward to hearing CBO elaborate on its recent transportation infrastructure work. Last year, Senator Grassley and I asked CBO to analyze spending on infrastructure by federal, state, and local governments.

CBO produced a major report on public spending for the construction, operation, and maintenance of our infrastructure. And the report's findings are the basis of the testimony that we'll hear from Director Orszag today.

CBO and GAO's work suggests that we should take a longer view. It suggests that in enacting the next surface transportation bill, we should consider a wider range of transportation modes and financing mechanisms.

We must recognize that these modes and mechanisms may not apply equally in all areas of this country. But we must also recognize that in the long term, we cannot sustain the status quo.

And so, let us examine how we build the roads, the bridges, and the airways. Let us see if we can remove some obstacles. And let us see if we can clear the way, for all of the people.

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