

**Statement of Senator Barbara Boxer
Senate Finance Committee Hearing on New Routes for
Funding and Financing Highways and Transit
May 6, 2014**

Thank you so much for holding this crucial hearing on the need to keep the Highway Trust Fund solvent, thus preserving 3 million jobs and thousands of businesses.

I come here in friendship to tell you that I will do everything I can to work with you in any way as you look at various ways to approach this crisis.

As Chairman of the Environment and Public Works Committee, I am glad to say that Senator Vitter and I, as well as Subcommittee Chairman Carper and Ranking Member Barrasso, have reached an agreement in principle. Our bill is fiscally sound – current funding plus inflation and using every dollar wisely.

According to both the Congressional Budget Office (CBO) and the U.S. Department of Transportation, the Highway Trust Fund will run out of funds this summer, which would be devastating for the construction industry, which has an unemployment rate of 9.4 percent. Currently there are 796,000 unemployed construction workers – enough to fill 8 Super Bowl stadiums. At the height of the recession there were 2 million unemployed construction workers and we must not go back there. Colleagues, it is in our hands.

Many states have already announced that they are postponing or canceling critical transportation projects due to the fear that Federal funds will be delayed or cut off. This will have a domino effect that will be felt throughout the economy. For example:

- According to Georgia’s Department of Transportation, if federal funding is cut, “we wouldn’t be able to fund any new projects. It’s a potential disaster for a state that is very dependent on the federal transportation dollar.”
- Iowa DOT described the impacts of going one full year without a Federal highway program: “For the Iowa DOT, this will result in cutting our anticipated construction program for fiscal year 2015 in half. This will also have an impact on local jurisdictions as they will not be able to begin any new construction projects that involve federal funding.”
- Oregon DOT said it would be hit hard, because it might be forced to delay or cancel a large number of highway projects: “Basically our entire capital construction program could be affected.”

States, cities, and businesses involved in transportation need the certainty from a long-term bill -- a short-term patch is not sufficient. In my Committee, we have heard of a number of bipartisan revenue options that could fund a long-term bill. Some of these options include:

- Replacing a cents-per-gallon gas tax with a sales tax on the wholesale price of gasoline and diesel, as Virginia has done. This plan was signed by a Republican Governor;
- Indexing and increasing the federal gas and diesel taxes, which have not been raised in over 20 years. This is supported by the U.S. Chamber of Commerce, AAA, and the American Trucking Association; and
- Using revenue generated from reform of the tax code.

In January, 17 governors, including those from Oregon, North Carolina, South Dakota, Colorado, Washington, Pennsylvania, and Maryland, wrote a bipartisan letter to House and Senate leaders urging Congress to stabilize the Highway Trust Fund's revenue sources for the long-term. "This situation is creating great uncertainty about the viability of our long-term transportation improvement plans," the governors wrote. "And if remedial action is not taken in a timely manner, the consequences would harm the economy of every state."

It is critical for our nation to continue investing in our aging infrastructure and we must work together to find the sweet spot for a dependable, bipartisan source of funding for the Highway Trust Fund.

You have a critical task before you, and I stand willing to help in any way to ensure that we continue to fund highway and bridge projects in a bipartisan manner. Much depends on us, and our states are looking to us to act now. Failure is not an option, and our committees must lead the way.