



H.R. 2353—Highway and Transportation Funding Act of 2015 (Shuster, R-PA)

CONTACT: MATT DICKERSON, MATTHEW.DICKERSON@MAIL.HOUSE.GOV, 6-9718

FLOOR SCHEDULE: [H.R. 2353](#) IS EXPECTED TO BE CONSIDERED ON MAY 19, 2015 UNDER [CLOSED RULE](#) THAT PROVIDES ONE HOUR OF DEBATE. THE RULE FURTHER PROVIDES STRUCTURED RULES FOR CONSIDERATION OF H.R. 1806, THE AMERICA COMPETES REAUTHORIZATION ACT OF 2015, AND H.R. 2250, THE LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2016.

TOPLINE SUMMARY: This bill would reauthorize the federal highway and local mass transit programs through July 31, 2015.

CONSERVATIVE CONCERNS: Some conservatives may be concerned that this bill would continue current policies without reforms. The current surface transportation bill would divert billions of dollars from the Highway Trust Fund dollars from highway projects that would help commuters.

When the federal government funds a transportation project, it is subject to a number of different federal labor regulations that [drive up the cost](#) of the project, such as Davis-Bacon wage requirements and Project Labor Agreements. When projects cost more than necessary as a result of union-friendly regulatory requirements, commuters are harmed. Commuters get less value for their gas-tax dollars and fewer projects can be completed with the same amount of dollars.

COST: The Congressional Budget Office (CBO) [estimates](#) that H.R. 2353 would not affect direct spending because the annualized level of spending for the authorized programs is assumed to continue through Fiscal Year 2015 in CBO's baseline. CBO also estimates that this bill would not affect revenues.

The Transportation Alternatives Program (TAP) [diverts highway funding](#) to projects such as bike paths, trails, medians, sidewalks, historical preservation, archeological activities, landscaping, environmental mitigation, and scenic overlooks. These types of transportation projects are local in nature and should not be the responsibility of the federal government. TAP receives \$820 million per year.

The Congestion Mitigation and Air Quality Improvement (CMAQ) Program diverts highway funding to a [variety](#) of non-highway programs that are supposed to reduce congestion and improves air quality. Projects can include diesel engine retrofits, transit projects, telecommuting, public education, carpool and vanpool marketing, carsharing, and alternative fuels and vehicles. States are not allowed to use these funds on highway lanes, which would actually reduce congestion. CMAQ receives \$2.3 billion per year.

In 2015, the Transit account of the Highway Trust Fund is projected to spend \$8 billion—15 percent of total outlays out of the trust fund—despite accounting for [less than 2 percent](#) of total trips. Transit riders or agencies do not pay into the trust fund. Allowing gas tax dollars to be diverted to transit away from the highway program

breaks the user-pays, user-benefits model. Transit projects are local in nature, and many feel that it is inappropriate for them to be funded by the federal government.

- **Expand** the Size and Scope of the Federal Government?: No, the bill continues currently authorized programs.
- **Encroach** into State or Local Authority?: Yes. As stated in the [RSC Budget](#), “Congress should devolve the federal government’s control over most highway and transit programs to the state and local governments.” Federal transportation spending should be limited to core federal duties, including the interstate highway system and transportation infrastructure on federal land.
- **Delegate** Any Legislative Authority to the Executive Branch?: No
- **Contain** Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: No

DETAILED SUMMARY AND ANALYSIS: The bill would extend the federal-aid highway, highway safety, motor carrier safety, transit, and other programs funded by the Highway Trust Fund through July 31, 2015.

Previous Authorizations: The transportation programs were most recently reauthorized in July, 2014 by the [Highway and Transportation Funding Act of 2014](#), which extended the authorization through May 31, 2015.

In 2012, the transportation programs were reauthorized through September 30, 2014, by the Moving Ahead for Progress in the 21st Century Act (MAP-21). This law authorized more than \$100 billion in obligations from the Highway Trust Fund in FY 2013 and FY 2014 despite the fact that the trust fund was only expected to bring in \$76 billion in revenues and interest. You can see RSC analysis on the 2012 reauthorization [here](#).

The Highway Trust Fund: The Highway Trust Fund is meant to be self-sustaining on a “user-pays, user-benefits” concept. The trust fund is primarily funded by an 18.3 cents-per-gallon gasoline tax and a 24.3-cents-per-gallon tax on diesel fuel. The trust fund is also financed with other taxes on truck and truck trailer sales, heavy tires, and a heavy vehicle use tax. However, beginning in 2008, Congress has spent more from the trust fund than the taxes bring in. Since then, \$62 billion has been transferred from the General Fund to the Highway Trust Fund. [CRS](#) has additional background on Highway Trust Fund.

According to the [CBO](#), revenues to the Highway Trust fund are projected to be \$39 billion in FY 2015, while expenditures are projected to be \$52 billion.

The Highway Trust Fund is supplied with funds from tax receipts by the Treasury twice per month. Under normal circumstances, a state is paid very quickly by the federal government once it submits a request for reimbursement to the Department of Transportation. According to [CRS](#), “the Federal Highway Administration (FHWA) deems it prudent to maintain a \$4 billion minimum in the highway account to prevent having to delay payments to states due to insufficient funds. The equivalent prudent balance in the mass transit account is at least \$1 billion.”

According to the [House Transportation and Infrastructure Committee](#), “the Highway Trust Fund has sufficient resources to fund its obligations through the end of July.” However, to continue funding highway and transit programs at current levels past the July 31 extension, another general fund bailout would likely be required.

OUTSIDE GROUPS: The **Heritage Foundation** has recently published [Highway Trust Fund Basics: A Primer on Federal Surface Transportation Spending](#).

COMMITTEE ACTION: H.R. 2253 was introduced on May 15, 2015, and referred to the Committee on Transportation and Infrastructure. The Committee took no further action.

ADMINISTRATION POSITION: A statement of administration policy is not available.

CONSTITUTIONAL AUTHORITY: Congress has the power to enact this legislation pursuant to the following: Article I, Section 8 of the United States Constitution, specifically Clause 1 (related to the general Welfare of the United States), Clause 3 (related to regulation of Commerce with foreign Nations, and among the several States, and with Indian Tribes), and Clause 7 (related to establishment of Post Offices and Post Roads).

NOTE: *RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.*

###