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HATCH STATEMENT AT FINANCE COMMITTEE MARKUP ON TAX PORTION OF TWO-YEAR SURFACE TRANSPORTATION BILL

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following opening statement at a committee markup on the *Highway Investment, Job Creation and Economic Growth Act of 2012*:

First off, I want to thank you for maintaining the Finance Committee's key role in reauthorizing the highway program. It is critical to the functioning of the Senate that its committees be allowed to perform their work.

The authorizing committees have acted. Now, it is time for this committee to do its part. Taking this bill through the Finance Committee process allows for a full examination of the funding stream for the current program. The formality of this process, with the opportunity to debate and amend the Chairman's mark, insures that the policy is properly vetted for everyone to see.

The challenges for this committee are significant since the agreement that informed the last highway bill has been taken over by events. Back in 2004, this committee, and this committee alone, found roughly \$24 billion in additional revenue for the next six years of the program. Some of that revenue consisted of permanent policy changes that raised revenue in the trust fund and did not impair the trust fund. Other policy changes grossed up the trust fund and then used unrelated general fund revenue raisers to hold harmless the general fund.

In the meantime, demands on the trust fund grew. What's more, the recession and other factors caused highway revenues to decline.

What that means is that the meeting of the minds that led to the 2005 highway bill — with this committee in the lead — has come to a dead end. Trust fund spending far outpaces trust fund revenues, and there is no getting around the fact that we need to find a new path that directly aligns trust fund revenues and trust fund spending.

But a consensus product is not enough if it does not fundamentally address this critical shortcoming with current federal highway financing.

As she often does, Lady Margaret Thatcher provides us with some guidance. In 1981 she offered some thoughtful and cautionary words about the perils of a misguided consensus — a consensus that has as its chief object getting something done rather than getting something done right.

This is how Lady Thatcher put it.

For me, pragmatism is not enough. Nor is that fashionable word consensus . . . To me consensus seems to be the process of abandoning all beliefs, principles, values and policies in search of something in which no one believes, but to which no one objects — the process of avoiding the very issues that have to be solved, merely because you cannot get agreement on the way ahead...

Mr. Chairman, consensus on highway funding is not enough unless it addresses costs and benefits in a meaningful way that provides the foundation for lasting and sustainable federal policy.

On highway funding, in 2005, we reached a basic agreement. And for a time that consensus worked. We provided more trust fund receipts revenue for the authorizers to spend. And they spent it. Today, we are maintaining that level of spending and patching the hole that opened in the trust fund.

I'm afraid we've strayed from the principles that formed the basis of trust in the highway trust fund. These principles were articulated in a letter sent by myself and others on my side last year. The amendments I filed follow-up on that letter.

What are those principles some might ask?

One, users of the highway trust fund pay for the building and maintenance of the roads.

Second, revenues and spending should line up on a year-by-year basis.

Third, we should avoid spending down the balance of the trust fund. That is, we should keep a healthy cushion to ensure against funding crises and disruption.

Fourth, we should provide for as long a multi-year authorization as possible.

And fifth, since the Finance Committee moved the revenue level up significantly in 2005, we should preserve it and not raise taxes now.

Mr. Chairman, you have labored hard to meet these principles. We, on our side, appreciate all of your efforts in that regard. But in my view, we can do better. That is why I filed a few amendments — four, to be precise. There were not an excessive number of

amendments filed to the Chairman's mark. Republicans filed 13 in total. Democrats filed more than twice that number.

Today, we'll debate the merits of the Chairman's mark. It is, by definition, a short-term measure. We'll have to look to the future to get back on the road to a sustainable long-term highway financing system. That goal is in the long-term interests of all Americans.

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