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Hatch Statement at Finance Hearing on the Highway Trust Fund

WASHINGTON – Senate Finance Committee Chairman Orrin Hatch (R-Utah) today delivered the following opening statement at a Committee hearing examining responsible and sustainable funding options for the Highway Trust Fund:

Good morning, everyone. Today, we will be discussing the challenges Congress faces as we work to provide funding for the federal Highway Trust Fund.

Right now, when it comes to highways, we find ourselves caught in a familiar dilemma, between raising taxes or cutting back on the highway program. As always, a long-term, bipartisan solution to this dilemma will be difficult to achieve and, some days, it almost seems out of reach.

However, in the past, this committee has consistently stepped up to the plate to find ways to keep the Highway Trust Fund solvent. I am confident that we can do so again.

I want to make it clear at the outset that my goal as chairman of this committee to find a way to fund a long-term infrastructure bill. Chairman Ryan over in the House said much the same thing in yesterday's Ways and Means Committee hearing.

While some friends on the other side of the aisle have suggested that it would be politically advantageous to force votes on a series of very short-term extensions, virtually everyone in Congress agrees that we need to get to the point where we are no longer facing a highway cliff every few months.

We've all heard that the gold-standard for a long-term highway bill is six years. That's what everyone apparently wants to see happen. Of course, according to CBO, a six-year highway bill that maintains the current spending baseline will cost roughly \$92 billion.

You don't find that kind of money by sifting through the cushions of your couch. It's going to take hard work and real policy changes to get us anywhere near that level of funding.

And, once again, that's if we maintain current spending levels. I know that some of my colleagues believe we should raise the spending baseline at the same time, which would put even more pressure on highway funding and require us to find even more offsets to keep the trust fund solvent.

Long story short, a six-year highway bill is a great goal. I'm committed to working to get us as close to that goal as possible.

Earlier this week, some of the leaders in the Senate Democratic Caucus sent a letter to the Senate Majority Leader spelling out a list of demands for enacting a long-term surface transportation reauthorization bill. The letter purported to dictate to Senate Republicans precisely when hearings should occur in the various committees, when those committees should hold their markups, and when the final bill should come to the floor.

Of course, any specific proposals or ideas on how to fund a long-term highway bill were noticeably absent from the letter. Instead, we were treated to a discourse on how previous Congresses had dealt with highway funding and how the current Senate leadership is, in the eyes of Senate Democrats, falling short.

I don't want to spend too much time deconstructing this letter. But, I would like to point out a few simple facts.

First of all, neither party should point fingers and try to lay blame when it comes to the now-common practice of passing short-term highway extensions.

Between the 110th and 113th Congresses, when the Democrats controlled the Senate, we enacted 11 short-term highway extensions. That doesn't include the 2012 MAP-21 legislation, which, according to the Senate Democrats' letter, was the paragon for how Congress should consider and pass a long-term extension of highway funding. Of course, MAP-21 extended highway funding for only two years, far short of the goals that are being cited in Congress these days.

As I recall, during that same period, when Republicans were in the minority, we didn't turn the struggles over highway funding into a political football. In fact, we approached these negotiations in a spirit of cooperation as much as possible. We came to the table with specific and concrete proposals that included both revenue and spending options.

I ask unanimous consent that a letter dated December 11, 2011, from Finance Committee Republicans to then-Chairman Baucus be inserted in the record. This letter didn't dictate a path forward to Chairman Baucus. Instead, it spelled out, in detail, policy proposals that Republicans could support to address an imminent shortfall in highway funding.

This was a constructive contribution to the debate over legislation that eventually became MAP-21, which was, once again, recently cited by our friends on the other side. MAP-

21 was the product of bipartisan work on the Finance Committee and was evenly split between taxpayer-friendly revenue raisers and spending reductions.

For example, it was Republicans who first advanced the idea of transferring unobligated funds from the Leaking Underground Storage Tank Trust to help pay for highways. Whatever one may think of this particular pay-for, it has become a go-to revenue source in recent highway bills, including the last two highway bills enacted under the Democrat-controlled Senate.

By contrast, one of the very few specific highway funding proposals I've seen from any of the signatories of this week's letter is the so-called repatriation holiday, which, according to the Joint Committee on Taxation, actually loses nearly \$120 billion over ten years. In other words, it is not a serious proposal to pay for a long-term highway bill.

Put simply, the rhetoric we're hearing from many of my friends on the other side of the aisle – which was exemplified by the letter they sent earlier this week – is not helpful.

It is not constructive. It is, I suspect, intended to have a political impact, not to actually lead to good policy.

To this point, I ask unanimous consent that an article from the June 3, 2015 edition of Poltico be entered into the record. This article, titled "Democrats steer towards highway funding cliff," basically spells out the political strategy being employed here and even quotes members of the Senate Democratic Leadership saying that they plan to force frequent votes on highway funding to make the process as politically difficult as possible.

If we're going to address these challenges, we need people to set aside the politics. We need people to do more than just talk about a long-term highway bill. We need people to bring actual ideas to the table and to come together to work toward a real, lasting solution.

I hope that's what we can talk about during this hearing. I hope we can have a productive conversation about what solutions are out there, which ones can work, and what ideas need to be put to bed.

Once again, my hope is that we can focus on solutions that can actually work – that can actually be enacted into law to pay for highways.

For example, while I know the idea has some support, I don't think a massive increase in the gas tax could be enacted into law. Of course, anyone who believes otherwise is free to publicly correct me and to try to make their case. That's the type of discussion I want to have here today – one that will actually lead to solutions. To facilitate this discussion, we've assembled a distinguished panel of witnesses who I think will all bring a unique perspective to these issues. I look forward to hearing from all of the witnesses on today's panel.

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