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BAUCUS CALLS ON HOUSE TO PASS FULLY-FUNDED TWO-YEAR SENATE HIGHWAY BILL TO CREATE JOBS, PROVIDE CERTAINTY

Finance Chairman Says Senate Highway Bill Does Not Add One Single Dime to the Deficit

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) released the following statement today urging the House to pass the Senate’s bipartisan, fully-funded highway bill. Baucus clarified that the bill is fully offset, replenishes money transferred from the general fund and leaves a cushion in the Highway Trust Fund at the end of its two-year reauthorization.

“We can’t keep kicking the can down the road. Pretty soon, there will be no road left to kick the can down,” Baucus said. **“The easiest way to work together and forge a solution to create jobs and fund our nation’s highway system is for the House to take up the Senate’s bill. It’s a good bill. It provides certainty so businesses and communities can plan construction projects and create jobs. It’s fully paid for. In fact, it ensures the Highway Trust Fund will remain solvent even after the end of the bill. It gives us time to address the longer-term needs of our national program and how we’re going to pay for it.”**

Chairman Baucus’s full statement follows below:

I rise to discuss the revenue title to the Highway Bill that the Senate passed earlier this month.

Gandhi said, “Truth quenches untruth.”

I rise to quench untruth. I understand that some of our colleagues over in the House have mischaracterized the Senate’s Highway bill by saying that it wasn’t paid for. Nothing could be further from the truth.

The Senate Highway bill is fully paid for and supports more than 1.6 million jobs across the country. It will also ensure there is still money in the Highway Trust Fund at the end of the bill’s two year authorization. I want to explain exactly how we fund this bill so everyone is clear.

As Chairman of the Committee on Finance, I worked very hard with members of both parties to put together a funding package that would: first, pay for a reauthorization bill through September of 2013; second, not add a single dime to the deficit or the debt; and third, not leave the Highway Trust Fund bankrupt at the end of the proposed reauthorization.

According to estimates from the Congressional Budget Office and the U.S. Department of Transportation, the Highway Trust Fund needs \$5.6 billion to pay for the Senate’s proposed reauthorization. In addition, the U.S. Department of Transportation said we need a so-called “cushion” of extra money in the Highway Trust Fund at the time of the bill’s proposed September 30, 2013 expiration.

I am pleased to report that Senate Republicans and Democrats ultimately came together to put \$9.2 billion into the Highway Trust Fund within the next two years, paying for the bill and leaving a sizable \$3.6 billion cushion at the end of the authorization period. And in total, we put \$14 billion into the Highway Trust Fund within the budget window of the next 10 years.

Focusing on the nexus to transportation and energy, we were able to transfer an immediate \$3 billion surplus in the Leaking Underground Storage Tank trust fund – the so-called “LUST Fund” – into the Highway Trust Fund. This was an idea offered by a number of Finance Committee Republicans. Like the Highway Trust Fund, the LUST Fund relies on the fuel tax for funding.

In addition, Finance Committee Republicans also proposed routing a third of the future fuel tax revenues intended for this storage tank fund into the Highway Trust Fund. This raises nearly another \$700 million over 10 years.

Next, we transferred into the Highway Trust Fund revenues that the general fund would receive from fees on cars that don't comply with fuel efficiency standards and the tariff on foreign automobile imports. Together, these provisions provide nearly \$5 billion for the Highway Trust Fund, with about \$1.6 billion coming in the first two years.

Then, we replenished the general fund for the amounts we moved into the Highway Trust Fund. We did this by clamping down on tax cheats and unscrupulous Medicare providers, as examples.

Finally, after accommodating Republican senators' concerns at mark up to rework some elements of our proposal, we accepted a widely-supported idea to stabilize required contributions into pension plans. The pension plan beneficiaries will still be able to rely on the plans getting funded, but employers will have a more predictable and realistic schedule for how much to contribute.

This provision raised sufficient revenue to enable us to then transfer another \$4.5 billion into the Highway Trust Fund in the first two years, bringing the two-year total to about \$9.2 billion, well more than the \$5.6 billion needed just to pay for the bill.

This pension stabilization provision raised more than \$9 billion in total, which also enabled us to accept a Republican amendment to put additional money into the Highway Trust Fund in future years. This brought the 10-year total to approximately \$14 billion, as I stated earlier.

My understanding is that this increase in general fund revenue to “plus-up” the Highway Trust Fund would be considered acceptable under the House Republicans' proposed budget, with its “Reserve Fund.” It is also my understanding that the House's proposed five-year bill will leave the Highway Trust Fund at the brink of insolvency by the bill's proposed conclusion, unlike the Senate's carefully crafted compromise that I have just described.

House leadership should not make inaccurate claims about the Senate's bill to camouflage their own inability to pass a long-term bill and unwillingness to work out compromises.

We just passed yet another short-term extension to provide funding for only 90 days. We can't keep kicking the can down the road. Pretty soon, there will be no road left to kick the can down.

The easiest way to work together and forge a solution to create jobs and fund our nation's highway system is for the House to take up the Senate's bill. It's a good bill. It provides certainty so businesses and communities can plan construction projects and create jobs.

It's fully paid for. In fact, it ensures the Highway Trust Fund will remain solvent even after the end of the bill. It gives us time to address the longer-term needs of our national program and how we're going to pay for it.

The House Republican leadership should set partisanship aside. They should realize there are no Republican or Democratic roads or bridges. There are only American ones. It's time to work together and not leave the Highway Trust Fund insolvent.

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