The United States Senate
COMMITTEE on FINANCE
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FOR IMMEDIATE RELEASE
May 6, 2014

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Wyden Statement on Fixing the Highway Trust Fund and Investing in America's Infrastructure

As Prepared for Delivery

The Finance Committee is here today to discuss how to meet the country's extraordinary need for investment in roads and highways and other infrastructure projects.

My bottom line is that you can't have a big-league quality or big-league economic growth of life with little-league infrastructure. The status of our roads and highways affects all Americans, from commuters to exporters to folks in rural areas who drive long distances for just about everything.

And in the global competition for investment and jobs, the condition of our infrastructure is a major determinant of how the outcome plays out. By any calculus, our investments in infrastructure lag way behind our competitors'. China, for example, invests 8.5 percent of its GDP in infrastructure, and in some parts of Canada, they're investing 10 percent. The U.S. invests only 1.7 percent. No American can be happy with the prospect that it's easier to move goods from a Chinese factory to a Chinese port than from an American factory to an American port. That's what's at risk.

The American Society of Civil Engineers – the trusted gurus of infrastructure – write an annual report card that grades the country's roads and highways. In 2013, the U.S. earned a D+, not exactly nobody's definition of success. The report found that nearly a third of our roads are in disrepair, and nearly half of highways around cities suffer from congestion. Americans waste millions of hours and more than a billion gallons of gasoline sitting in traffic every year. This has got to change.

There are two priorities to consider. The first is reauthorizing and fixing the Highway Trust Fund, which feeds money into transportation projects. Unfortunately, it has less money coming in than it has going out. Fixing it in the short term will require $10 billion to keep the fund solvent through the calendar year. Getting through fiscal year 2015 will take another $8 billion.

What happens if the authorization expires or if the fund dries up? According to one report, 6,000 projects may grind to a halt, putting many thousands of construction workers out of a job and causing "traffic migraines" across the country.

Then, for the long-term, Congress needs to find a sustainable source of funds that will keep this crunch from happening again. It would be a tragic mistake to let highway funding become another stop-and-go extender like Medicare physician payments and many important tax incentives.

Relying on short-term policies, emergency patches, and temporary extensions makes forward-looking strategies impossible, and when it comes to infrastructure, planning ahead is absolutely essential.

Some proposals offered over the last few months, like using new tolls on existing roads or charging motorists based on the number of miles they drive, raise questions about privacy and feasibility that would need to be answered. We're going to examine them thoroughly.

It's going to take $100 billion just to keep the Highway Trust Fund solvent for six years. Meeting that bar will give states a chance to think ahead, and construction workers won't have to worry about being laid off because of Washington inaction. And while Congress develops fresh, long-term policies for the trust fund, it should also consider ways to encourage Americans to use the cleanest and most efficient fuels.

But let's face it, fixing the trust fund is just the bare minimum in terms of investment. It's time to aim higher. That's where the second priority comes in – getting private capital off the sidelines and into this effort. There is a whole host of innovative proposals – including some from Senators Rockefeller, Schumer, Warner, Bennet and Blunt – designed to make that happen. And the only place you have to look to find proof that you can get private capital off the sidelines is the Build America Bonds program.

The Build America Bonds program had been proposed for years and years when it was finally included in a two-year bill in 2009. In this very hearing room, Senators hoped it might generate $5 to $10 billion worth of infrastructure projects over its lifetime. By the time the program ended, Build America Bonds helped finance more than $180 billion of projects in Oregon and from one end of America to the other.

The lesson is clear: there are hundreds of billions of dollars in private capital sitting on the American sidelines. Surely some of that can be invested in American infrastructure. I'd like to aim higher and do everything possible to build a bipartisan coalition for policies that generate $1 trillion in American infrastructure.

From a purely commercial standpoint, investing that capital in critical American infrastructure projects certainly has the potential to be more profitable and improve more lives than the alternatives.

It's important not to punt investments further into the future. Maintaining a good-quality road is cheaper than rebuilding a failing one – especially while interest rates are low – and it's tougher to invest in new transportation projects if the country's roads and highways are falling into disrepair. The price tag for a strong national infrastructure will only grow in the future, so it's time to get to work.

This morning I also wanted to recognize the unfortunate passing of our former colleague Jim Oberstar. Jim spent his entire career working on transportation policy, first as a staffer who worked on the legislation that created the Department of Transportation in the 1960s, then while representing Minnesota's eighth district for more than three decades in the House. He was a titan of transportation policy – especially in aviation – and all who fly in America should be grateful to Jim Oberstar.

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