

**FLOOR STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
H.R. 6532, THE HIGHWAY TRUST FUND RESTORATION ACT
SEPTEMBER 11, 2008**

Madam Speaker, I rise today in strong support of H.R. 6532, the Highway Trust Fund Restoration Act, as amended by the Senate.

This bipartisan legislation, introduced by Chairman Rangel and passed by the House on July 22, 2008, by an overwhelming bipartisan vote of 387-37, restores \$8.017 billion in motor vehicle user-fee revenues to the Trust Fund's Highway Account that were transferred to the General Fund by the 1998 surface transportation reauthorization law, the Transportation Equity Act for the 21st Century ("TEA-21").

Both the Congressional Budget Office and the Joint Committee on Taxation have determined that this proposal does not constitute a spending outlay, would not violate pay-go, and will have no revenue effect.

Restoring the \$8 billion to the Trust Fund is appropriate because these funds represent highway user revenues that were intended to be used for highway purposes. In 1998, these amounts were viewed as unnecessary to support highway program funding levels and were therefore shifted to the General Fund. However, now that it is clear these amounts are needed to support the highway program, it is incumbent upon us to return them to the Highway Trust Fund, where they may be used for their originally intended purpose.

Despite the overwhelming bipartisan House vote in support of this legislation in July, the Bush administration threatened to veto the bill and holds were placed on the bill by Senate Republicans. In fact, the administration has opposed half a dozen Congressional efforts to address this situation since the beginning of the year.

Just five weeks ago, on July 29, 2008, the Administration estimated a \$4.3 billion cash balance in the Highway Account of the Highway Trust Fund on September 30, 2008.

Last Friday, the Department of Transportation announced that the Trust Fund is approaching a zero balance and, beginning as early as this week, the Federal Government will be unable to pay all of the bills submitted by the States for reimbursement under the Federal-aid highway program. If that were to occur, the Federal Government will be required to pay interest on unpaid bills.

The Secretary of Transportation has finally recognized the dire circumstances of the Highway Trust Fund, and reversed the administration's previous irresponsible opposition to restoring these user fee revenues.

Regrettably, the administration's earlier ideological opposition to this bill and its slow recognition of the pending Trust Fund shortfall has already had serious economic consequences.

The American Association of State Highway and Transportation Officials (“AASHTO”) reports that States have begun slowing their investments in highway construction because of the cash flow problems of the U.S. Department of Transportation. States are rationing federal highway construction funds, delaying new federally supported projects, suspending new contract awards, and looking for ways to stop ongoing construction.

For instance, according to press reports, California warned that it would have to delay, reduce, or cancel projects; Arizona tabled the \$30 million widening of Arizona 85; and the Oklahoma Department of Transportation delayed 30 highway construction projects, including \$80 million of projects that were bid in August and suspended right-of-way acquisition on future projects.

Given that the United States has lost more than 600,000 jobs this year and the unemployment rate is the highest it has been in five years, we cannot afford to lose one more family-wage construction job.

We must enact this critical legislation this week to avoid slowdowns or reduction in infrastructure investment, and the loss of American construction jobs.

Enactment of this legislation will ensure full funding of the highway investment levels authorized by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (“SAFETEA-LU”), and prevent devastating slowdowns or cuts in each state’s federal highway funds.

While H.R. 6532 is a short-term solution to a much broader problem, it is essential that we resolve this immediate crisis. During consideration of next year’s surface transportation authorization act, we will work with the Committee on Ways and Means to develop a sustainable financing proposal to address the nation’s transportation needs.

I thank the gentleman from New York (Mr. Rangel), the distinguished Chairman of the Committee on Ways and Means, for his leadership in ensuring that these funds are restored to the Highway Trust Fund. I also thank Senator Baucus, the Chairman of the Committee on Finance, for his efforts to move this legislation over the past year. Finally, I thank my Committee colleagues, Ranking Member Mica, Subcommittee Chairman DeFazio, and Subcommittee Ranking Member Duncan, for working with Chairman Rangel and me on this critical legislation.

I urge my colleagues to join me in supporting H.R. 6532.