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CRFB Cheers Senate's Responsible Approach to Highway Funding July 30, 2014

The Senate passed legislation Tuesday to extend highway funding through December and offset the costs of doing so through a combination of deficit reduction measures. The Senate bill included an [amendment](#) offered by Sens. Tom Carper (D-Del.), Bob Corker (R-Tenn.) and Barbara Boxer (D-Calif.) that struck budget gimmicks used to offset part of the general revenue transfers from the package and shortened the length of the extension. A similar bill passed by the House would extend highway funding through May but relied on a budget gimmick known as "[pension smoothing](#)" to finance nearly 60 percent of the costs.

Maya MacGuineas, president of the Committee for a Responsible Federal Budget, said the following:

"What we really need is a long-term highway funding solution, but in the meantime, the least we can do is responsibly pay for temporary bailouts of the Highway Trust Fund. There is no question that the Senate bill is the more responsible of the two highway bills. The Senate bill identifies real, scoreable offsets to pay for a general revenue transfer, while the House bill includes 'pension smoothing' that purports to offset the costs of the general revenue transfer over the budget window but increases the long-term deficit beyond the ten-year budget window.

"The House should reject efforts to resurrect phony offsets to cover the highway funding shortfall and either pass the Senate bill as written or work with the Senate to identify an alternative package of gimmick-free offsets. Once we get through the immediate funding cliff, lawmakers should begin working together on a long-term solution that brings highway spending and revenue in line.

"There are plenty of [options](#) to put the Highway Trust Fund on a more sustainable path. Continuing to jump from crisis to crisis with one patch after another should not be one of them. Once this current stopgap passes, Washington needs to start making some of the tough choices to either fully fund our infrastructure spending, better control its costs, or some combination of the two.

"The senators should be commended for coming up with their responsible policy through a bipartisan approach. This model can be replicated on many issues to find common ground and solve our country's problems."

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