



CHAIRMEN

BILL FRENZEL
JIM NUSSLE
TIM PENNY
CHARLIE STENHOLM

PRESIDENT

MAYA MACGUINEAS

DIRECTORS

BARRY ANDERSON
ERSKINE BOWLES
CHARLES BOWSHER
KENT CONRAD
DAN CRIPPEN
VIC FAZIO
WILLIS GRADISON
WILLIAM HOAGLAND
JIM JONES
LOU KERR
JIM KOLBE
DAVE MCCURDY
JAMES MCINTYRE, JR.
DAVID MINGE
MARNE OBERNAUER, JR.
JUNE O'NEILL
PAUL O'NEILL
BOB PACKWOOD
LEON PANETTA
RUDOLPH PENNER
PETER PETERSON
ROBERT REISCHAUER
ALICE RIVLIN
CHARLES ROBB
MARTIN SABO
ALAN K. SIMPSON
JOHN SPRATT
GENE STEUERLE
DAVID STOCKMAN
JOHN TANNER
TOM TAUKE
LAURA TYSON
GEORGE VOINOVICH
PAUL VOLCKER
CAROL COX WAIT
DAVID M. WALKER
JOSEPH WRIGHT, JR.

On Highways and VA, Congress Continues Piling Up Debt August 1, 2014

Congress has passed and sent to the president a bill to overhaul the VA health system and a short-term patch for the Highway Trust Fund. Both rely on funding approaches that increase the debt.

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

“Congress has passed and the President is about to sign two bills that increase the national debt for no other reason than that lawmakers seem utterly unwilling to pay the nation’s bills. The highway bill pays for 60 percent of its \$11 billion trust fund deposit through a budget gimmick known as pension smoothing, which temporarily reduces companies’ pension obligations. It raises revenue in the first six years but costs money after that. While the Senate originally wisely rejected this gimmick, the final bill falls back on it.

Congress dawdled for months knowing that a deadline was approaching and instead of addressing the chronic highway funding shortfall, it waited until the last minute, rejected the responsible gimmick-free approach suggested in the Senate, and passed an easy fix so it could leave town.

On top of that, Congress passed a VA reform bill that would add an additional \$10 billion to the national debt. Taking care of our veterans should be a top national priority, and the recently passed legislation is a tremendous improvement over the hugely expensive blank-check approach previously supported. But there is no good reason Congress could not have identified the pay-fors to make sure the legislation was fiscally responsible.

Things that are worth doing, are worth paying for. Unfortunately, Congress seems more comfortable making dumb decisions on a deadline – so they can go home and campaign – than smart decisions in a timely fashion.

###

For more information, contact Jack Deutsch deutsch@crfb.org