



For Immediate Release
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The following is a written statement of Ms. Ryan Alexander, president of Taxpayers for Common Sense, on H.R. 4348, the transportation reauthorization conference report (aka transportation omnibus)

Washington, DC - We are deeply disappointed that Congress has chosen the easy way out in funding transportation reauthorization. By initiating another massive Treasury bailout of the transportation program, Congress fails to face head-on the acute funding challenges the nation's transportation program faces. Congress relies on a transfer of nearly \$19 billion from the Treasury to pay for increased transportation spending, on the heels of \$34.5 billion in transfers since 2008. Stealing from Peter to pay Paul is irresponsibility at its very worst, especially when Peter – the Treasury – is already broke.

To offset the costs of the Treasury larceny, lawmakers rely on a variety of budgetary smoke and mirrors.

For example, this bill contains two major changes to private and federal pension systems: an increase in premiums to the Pension Benefit Guaranty Corporation (PBGC) and so-called "pension smoothing." Increased premiums for the PBGC are welcome to protect taxpayers from the prospect of a future federal bailout. Ironically, however, the pension smoothing provisions – which will reduce private corporate pension contributions in the near term – will have just the opposite effect, exposing the PBGC to potentially greater future liabilities, and therefore exposing taxpayers to greater risk. In addition, using increased revenues for the PBGC – which is itself \$26 billion in debt – as justification for increased spending in transportation is ludicrous at best.

Even worse, it will take 10 years of increased revenues from these changes to the pension system to pay for just 26 months of transportation spending. That bears repeating: 10 years of revenues will pay for just two years of transportation.

We are deeply concerned that continuing current funding levels under the 9-time extended SAFETEA-LU transportation legislation is pushing the Highway Trust Fund toward insolvency. However, the reauthorization Congress is considering takes the country to the same place the current path would: a taxpayer bailout of the Highway Trust Fund. Congress has not cut spending nor increased user-based revenues to pay for this bill or ensured the sustainability of the transportation program. Congress has simply increased spending and used budget gimmicks to convince itself this spending is 'paid for.' When this bill expires in 2014, the transportation program will be in even worse condition. The highway and mass transit trust funds within the HTF will be nearly broke, and the pay-fors that 'funded' this bill will not be available for the next bill.

In addition to the funding challenges this bill faces, Congress has also made a Christmas tree out of this legislation by attaching to it a flood insurance reform bill, student loan rate reduction, and other unrelated provisions.

While Taxpayers for Common Sense has fought for flood insurance reforms for several years and actually supports the package included in the transportation omnibus, the legislation should be debated on its own merits. Flood insurance reform hasn't even been considered by the full Senate. If it had, leadership might not have had to jettison a key reform requiring purchase of flood insurance in areas that, while behind a levee, still retain significant flood risk for property owners. This provision would have lowered rates for many policyholders and provided protection for taxpayers and millions of Americans in harm's way. Instead, shortsighted parochial politics and members' desires to get home for the July 4th holiday won out.

Finally, whether it is unemployment insurance extensions, payroll tax holiday, or in this case, student loan rate reduction, the scattered stop-gap economic measures have to come to a final resolution. Continued extension of short-term fixes eventually creates an expectation of permanence. We urge Congress and the Administration to come up with final agreements on how to deal with these "temporary" issues instead of waiting for the crush of expiration and making the decision with a finger in the political winds.

For all of these reasons, Taxpayers for Common Sense opposes the transportation omnibus in its current form. The different legislation crammed into the omnibus merit independent consideration. Furthermore, Congress must face head on the challenge of appropriately funding the nation's transportation program, and must do so in a manner that preserves the user-pays principle. It has been obvious for many years that the current gasoline tax is not enough to meet the desire of Congress to spend on transportation. But this bill takes the easy way out, and fails to take the difficult steps that would help put our transportation program on sound fiscal footing into the future.

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