



Budget Gimmicks Hit the Road

Relying on Speculative Oil and Gas Revenue Will Not Create Necessary Funding for Transportation Bill and Destroys Key User Pays Principle

February 13, 2012

Dear Representative,

Taxpayers for Common Sense Action urges you to **oppose H.R.7**, the American Energy and Infrastructure Jobs Act of 2012, when it is considered on the floor later this week. This \$260 billion bill lacks sustainable, user-based funding to pay for the nation's transportation priorities and its costs are instead offset with budget gimmicks and speculative revenue sources.

H.R. 7 muddies the waters on transportation legislation by relying on funding from highly speculative oil and gas revenues from new leases in the Arctic, Gulf of Mexico, and other federal waters, and oil shale development on federal lands. The Congressional Budget Office calculated that only \$2 billion in revenue would be created over a five-year period from this new drilling. In fact, oil shale development has yet to be proven commercially competitive and may never produce any significant taxpayer revenue. In stark contrast, our transportation funding needs are real and the House bill would spend dollars now with offsets that may not materialize in the future. This is the same recipe that got us into our current fiscal mess.

The House bill also relies on savings captured from restructuring the pension program for federal employees. The \$40 billion in savings over 10 years, which represents the bulk of the new revenue in the House proposal, would be better used to reduce the nation's annual deficits or shore up the federal pension system. Federal pensions currently burden taxpayers with an unfunded liability of nearly \$700 billion.

Responsible transportation policy must rely on revenues collected from user fees. If Congress is unwilling to raise additional revenues in this manner, then spending must be cut. Using revenues unrelated to transportation undercuts the user-pays principle that our transportation system is based upon and fails to ensure the long-term viability of the nation's transportation program.

Again, we urge you to **oppose H.R. 7**. With trillion dollar annual deficits and a \$14 trillion debt, it would be reckless for Congress to allow this bill to move forward in its current form.

For more information please contact me or Erich Zimmermann in my office at 202-546-8500 x132.

Sincerely,

Ryan Alexander
President