



Written by [Michael Tennant](#) on September 1, 2011

Obamas Tax-guzzling Transportation Bill

One might conclude that reducing or eliminating the federal gas tax would help stimulate the economy by leaving more money in the hands of individual Americans. President Barack Obama, on the other hand, thinks that the way to stimulate economic growth is to continue taking that money out of the private sector and spending it on projects that benefit labor unions and other politically favored entities. Therefore, he is sounding the alarm that if Congress fails to pass a transportation spending bill whose “key component is the federal gas tax,” according to [FoxNews.com](#), the federal government will be deprived of billions of dollars in revenue, and as many as one million jobs could be lost. (Revenue and jobs denied to politically powerless Americans because of the ongoing levy don’t count in Obama’s world.)



The transportation bill must be renewed annually; the current version expires at the end of the fiscal year, September 30. If it is not renewed, Americans will get a break at the pump because the gas tax will expire along with the rest of the bill. To most people this is good news — but not to road contractors and labor unions, who, despite their frequent differences, both benefit from federal largess. Thus, it was not surprising that representatives from both the U.S. Chamber of Commerce and the AFL-CIO joined the President at a Wednesday Rose Garden appearance to clamor for Congress to renew the gas tax. They fear that the gravy train is about to pull away from the station, while Obama gets to claim the support of both business and labor in his quest for drivers’ dollars.

The unfortunate fact is that regardless of the unconstitutionality of federal transportation spending, the transportation bill is in no danger of expiration. “Aside from the president today, no one has suggested the highway bill will be allowed to expire,” said Brendan Buck, spokesman for House Speaker John Boehner (R-Ohio). “Republicans,” he added, “support an extension of the highway bill and appreciate the need for a long-term solution for infrastructure projects.”

Why, then, is Obama raising a ruckus about such an unlikely occurrence?

For one thing, some conservative groups such as the Club for Growth have argued for [eliminating the federal gas tax](#) and associated spending, leaving the raising and disbursing of infrastructure revenue up to the states. “Not only would letting states collect the taxes directly reduce the money spent on federal behavioral engineering efforts (bike paths etc.),” observes [Chris Stirewalt](#) at FoxNews.com, “but [it] would also allow states to avoid federal laws that require union workers be used on highway projects.” This is, in fact, the only constitutional approach to the matter; but since the House leadership, as noted above, has already signaled its intention to pass a transportation bill, it seems unlikely to carry the day



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in Congress.

The real sticking point appears to be the new rules for disbursing federal transportation monies instituted by House Republicans. Explains Stirewalt:

Before the 2010 “shellacking” the Highway Trust Fund was a slushy spot. Influential appropriators worked hard to get the first spade full of dirt turned over on decades-long projects in their districts because they knew that they could, in essence, obligate the federal government. Then when bills came due, the Trust Fund would have to get a bailout from general revenues in order to complete already authorized projects.

Under the new Boehner rules, big projects have to be accounted for. Start a \$10 billion project, budget \$10 billion.

This has changed the way the highway appropriations process works. While fewer projects are being started, the intention is that more will be completed and that costs will be more predictable. Old-line appropriators resisted, to say nothing of complaints from contractors and unions who preferred the less-rigid requirements of the previous process.

Add to that the fact that Republicans are, admirably, attempting to [reduce federal highway spending by 30 percent](#) over current levels — \$230 billion over six years as compared to Obama’s proposed \$556 billion — and to keep it from exceeding gas tax revenues, and it’s no wonder Obama and his union buddies are up in arms. When the President says, as he did on Wednesday, that he wants a “clean” transportation bill, what he means is that he wants a return to the pre-2011 system in which highway funds can be used to pay off political pals in perpetuity, outlays increase every year, and deficit spending simply isn’t a concern — proving once again that all his talk of reining in red ink is nothing but (with apologies to Shakespeare) sound and fury, signifying nothing.

Obama may think his approach to transportation funding is a highway to prosperity, but it’s really just another step down the road to serfdom.



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