

Putting the Cart Before the Roads

by Robert L. Hale

I wonder what we are going to run out of first -- gasoline or safe quality roads to drive on? With Congress' massive mismanagement of our national road system and its costly "green programs," the best bet is safe quality roads.

Lawmakers established the Highway Trust Fund in 1956 to ensure dependable financing for the maintenance of the U.S. interstate highway system. Revenue is raised through a federal tax on gasoline and diesel fuel, as well as by excise taxes on truck tires and sales of trucks and trailers and heavy vehicle use. The fund is going broke.

In the late 1950s, Congress increased the original tax of \$.03 cents per gallon of gasoline to \$.04 cents, where it remained until 1982. In 1982, Congress directed that \$.0286 cents per gallon of the gasoline tax be diverted to mass transit. The next year, the tax was increased to \$.09 cents, with \$.08 cents going to highways and \$.01 cent to the newly created Mass Transit Account. The Omnibus Budget Reconciliation Act of 1990 increased the tax another \$.05 cents per gallon, with half going to the fund and half to deficit reduction. The tax was increased again in 1993 to the current level of \$.184 cents per gallon of gasoline and \$.244 cents per gallon of diesel fuel.

In 2008, the fund ran out of money and was infused with \$8 billion from general fund revenues. One year later, it is again out of money. This has left us with too little money for roads, bridges, and tunnel construction and maintenance.

The lower revenues are due in large part to motorists driving less and shifting to more fuel-efficient vehicles. The problem is only going to get worse as we move toward the use of other fuels, particularly electricity.

Unfortunately, a Congress driven almost solely by polls, rhetoric, and special interest lobbies is unlikely to do anything to resolve this mess. Instead, we are likely to see a continued decline in the quality of what has been the greatest infrastructure development of all time -- the U.S. interstate system -- now in serious decline and disrepair.

Our roads may well reflect the state of our nation. The expected increase of at least \$.05 cents in the gasoline tax and almost \$.15 cents in the diesel fuel tax will further decrease the miles driven and significantly increase the costs for delivering goods to our local stores. Taxpayers will be hit on both ends -- higher taxes and higher costs of goods. Everyone loses as Congress continues its counterproductive policies.

The questions is why? It seems that virtually every move being made by Congress increases rather than decreases our cost of living. Our own government is reducing our standard of living and quality of life. Will the American public respond and demand a change in the direction in which those we have elected are taking us? Only time will tell.

The massive spending will make the \$.025 cents gasoline tax increase intended to reduce the deficit sink into an increasing black hole. However, that is not the only place Congress is wasting our money while ignoring the condition of our roads.

Diligently working to drive our debt burden up, Congress is giving buyers of new cars a credit of \$3,500 to buy a new car rated at 22 mpg if the car they trade in gets 18 mpg or less. Buyers will get \$4,500 if the new vehicle gets 10 mpg more than their current “clunker.” For buyers who trade in a truck or SUV, the deal is even sweeter. If the vehicle is a 1984 or newer model, they qualify regardless of the mpg.

Interestingly, those who take advantage will, for the most part, be wealthier taxpayers, as most of us cannot afford to buy new vehicles. Congress is giving our money away to those who least need it while ignoring the roads.

All this largess promoted in the name of “stimulus” and “saving the earth” is supported by special interests that include the auto industry, unions, and environmentalists. Who represents those of us who pay the bill and who will have our standard of living further reduced as a result of this nonsense?

It is likely that the majority of “clunkers” will be American cars and that the new cars purchased will be made by foreign manufactures. So much for Buy American. The debt being piled up will fall almost exclusively on the American taxpayers and our children. So taxes will remain American -- even if profits and jobs do not. Let’s be sure to thank our congressional representatives next time they come home to visit.

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