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Congress Faces Road Funding Gap 'Reckoning' Before Election

By Carol Wolf - Feb 1, 2012

The [Highway Trust Fund](#), which finances U.S. road, bridge and mass-transit projects, may become insolvent just before the November presidential election unless lawmakers lock in additional funding sources.

The fund, which reimburses states for transportation projects, would be unable to meet its financial obligations as soon as October, according to an analysis of Congressional Budget Office data by the [American Association of State Highway and Transportation Officials](#). The federal government could have to ration payments to the states to keep the fund solvent, according to the CBO.

That would gradually halt highway projects, leaving hundreds of thousands of construction workers unemployed, said Brian Deery, director of transportation at Associated General Contractors of America, an Arlington, Virginia-based industry group. Congress needs to pass long-term legislation that raises the U.S. fuel tax, transfers money from the government's general fund or finds a new revenue source to keep transportation projects going, he said.

"This is the day of reckoning," Deery said. "They have to come up with more money or make cuts. There are no two ways about it."

The fund's revenue, from U.S. fuel taxes, has declined as cars have become more fuel-efficient and Americans are driving less because of higher gasoline prices, according to the U.S. Department of Transportation.

States pay for transportation projects upfront and then apply for reimbursement.

Closing the Spigot

"This would have a real impact on the states if the federal government turns off the spigot to reimburse them for money they have already spent," Deery said.