

DAILY NEWS CLIPS

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By Keith Laing
The Hill
June 25, 2012

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If lawmakers do not at least pass an extension by June 30, the federal government's ability to spend money on transportation projects will expire. The transportation legislation also contains the government's authorization to collect the 18.4 cents-per-gallon gas tax that is traditionally used to fund road and transit projects.

Elsewhere, the House Transportation and Infrastructure Committee's Subcommittee on Coast Guard and Maritime Transportation will meet Wednesday to review the types of ships that are used to carry oil from the Strategic Petroleum Reserve during drawdowns.

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CONGRESS SHOULD FUND THE HIGHWAY BILL, NOT THE STUDENT LOAN CUT

Washington Post Editorial
June 24, 2012

Congress faces two deadlines at week's end, when federal surface transportation funding stops flowing and the interest rate doubles on one class of subsidized student loans. The House and Senate are searching under every federal cushion for cash, hoping to find a way to pay to stave off both deadlines. In fact, Congress should fund the transportation bill and let the politically inspired loan rate lapse.

The student-loan rate is hardly an established standard; only students who took out loans this year got it. It resulted from a Democratic campaign gimmick — promising to halve student loan rates — and it's expiring because, after making the promise, Democrats didn't really want to pay for it. "Doubling" the rate would not affect existing student loans, only new ones. There are better ways to encourage college access, such as shoring up the Pell Grant program. The subsidized loan program would still give students a good deal, with terms far more generous than the market could offer borrowers with little or no credit history. Extending today's low loan rate for a year — yes, lawmakers want to extend it for just a single year — is not worth the \$6 billion it would cost.

Leaving student-loan rates alone would also free up the week's legislative calendar for a much larger priority: transportation. Congress has pushed off passing a comprehensive highway bill nine times since the last one expired in 2009, on account of disagreements over the Keystone XL pipeline, environmental requirements and spending levels. Meanwhile, the Highway Trust Fund dwindles; it will be gone sometime next year.

The Senate passed a bill in March that is far from ideal. It wouldn't raise the gasoline tax — the logical and traditional way to pay for highway construction and maintenance. But it does, more or less, find ways to pay for spending, and it would give lawmakers a couple of years to produce a transportation funding plan that makes more sense. The bill is considerably better than yet another stop-gap extension,

an option only second-worst to letting funding authority lapse entirely. House Republicans should finally accept a deal based on the Senate's proposal and move on.

President Obama, Mitt Romney and politicians all over Washington have described the scheduled student-loan hike as some sort of economic emergency. It isn't. Keeping the student-loan rate extra low is an expensive gimmick. Funding highways is a basic federal responsibility.

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CONGRESS FACES SATURDAY DEADLINE ON HIGHWAY BILL

By Tom Cohen

CNN

June 24, 2012

Congressional negotiators facing a June 30 deadline before federal money runs out for highway construction projects across the country have the choice of punting a 10th consecutive time with a short-term extension or compromising on a multi-year bill.

Party leaders insist that letting the surface transportation funding bill expire is not an option, and President Barack Obama has called repeatedly for passing the measure to ensure continued funding for the hard-hit construction industry amid sluggish economic recovery.

A conference committee of House and Senate members is trying to work out a compromise that once seemed unreachable but now could occur before the current bill expires on June 30.

"The conferees have moved forward toward a bipartisan, bicameral agreement on a highway reauthorization bill," said a joint statement Thursday by the panel's co-chairs, Democratic Sen. Barbara Boxer of California and Republican Rep. John Mica of Florida. "Both House and Senate conferees will continue to work with a goal of completing a package by next week."

The standoff is based on sharply differing views about the overall expense of the bill and how to pay for it. Failure to either pass a new version or extend the existing one would jeopardize thousands of road and bridge construction projects.

Congress has passed nine straight short-term extensions since the last surface transportation bill was enacted in 2005. In the political glare of an election year, neither party wants to be linked to inaction that would halt construction projects and increase unemployment.

Obama touched on the political environment in his weekly address to the nation, saying the responsibilities of leadership "are bigger than an election."

"Let's keep construction workers rebuilding our roads and bridges," Obama said in the remarks released Saturday. "And let's tell Congress to do their job. "

Formally called the Safe, Accountable, Flexible, Efficient Transportation Equity Act, the law authorizes funding for highway and bridge projects, including the federal gas tax dedicated to road construction. Earlier this year, the Senate passed a two-year, \$109 billion version with broad bipartisan support. House Republicans, spurred by their conservative wing, took issue with some aspects of the Senate plan and proposed their own five-year, \$260 billion version.

However, that measure never won approval from the full House, resulting in Congress instead passing a three-month extension of the existing legislation in March. It was the ninth consecutive short-term extension of the 2005 bill.

Obama noted that the Senate measure had support from almost three-quarters of the chamber, including 22 Republicans.

"Now, it's up to the House to follow suit; to put aside partisan posturing, end the gridlock, and do what's right for the American people," he said in his weekly address.

At issue are GOP wishes to speed environmental reviews and ensure the gas tax revenue is paying only for road and bridge construction.

"We just want to make sure it's a bill that includes real reforms to ensure that taxpayer funds are paying for legitimate projects that support economic activity, not planting more flowers in beautification projects around the country," House Speaker John Boehner, R-Ohio, told reporters Thursday.

Boehner had been pushing a five-year bill that would pay for highway programs with money raised from leasing drilling rights for oil and gas in the Arctic National Wildlife Refuge, as well as other energy measures.

In particular, Boehner wanted a provision to fast-track federal approval of the Keystone XL pipeline from the oil sands of northern Alberta in Canada to the U.S. Gulf Coast.

Concerns by Nebraska officials forced pipeline developer TransCanada to seek an alternative route, which the Obama administration cited last year in delaying its decision on whether to approve the project.

Republicans accused Obama of playing politics by stalling the decision on a pipeline opposed by the environmental lobby. They latched a provision requiring a fast decision on the Keystone pipeline to the debt ceiling agreement last December, forcing the administration to reject the incomplete pipeline application earlier this year.

Now TransCanada has resubmitted a pipeline application with plans for the alternative route, which is still being studied by Nebraska officials. A final decision by Nebraska on the alternative route is not expected for months.

Boehner said Thursday that some progress had occurred in the conference negotiations. However, the Keystone issue was still considered a stumbling block, a Democratic aide told CNN last week. One potential alternative would be a six-month extension that would put off the issue until after the November presidential election. Boehner and Democratic leaders have said they don't want another three-month extension.

"I don't think we'll need an extension (of any kind). I hope not," Senate Majority Leader Harry Reid, D-Nevada, told reporters Thursday.

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WHY BOTHER?

Op-Ed by Fawn Johnson

National Journal

June 25, 2012

Anyone who has been reading this blog in recent months knows that we have been obsessively following the intrigue surrounding the highway bill. This week marks another pivotal moment. As usual, it coincides with a looming expiration date, June 30, for the federal highway program. These are the two most likely outcomes: 1) a short-term stopgap (30 days or less) with a final deal in the works for a 15-month highway bill, or 2) a six-month extension. Neither option is fantastic.

The transportation chiefs on Capitol Hill have not given up on the notion that they could complete a bill by the end of the week, although the odds are good that they will need at least a small breather extending beyond July 1 to take care of the details. House Transportation Committee Chairman John Mica, R-Fla., and Senate Environment and Public Works Committee Chairman Barbara Boxer, D-Calif., are working with staff to put in writing a deal struck last week on the highway provisions in the bill, which includes language to reduce the number of federal transportation offices and rework the funding for "transportation enhancements" that takes care of things like bike paths. After that, the Senate Finance and House Ways and Means Committees are tasked with putting together the financing for the legislation.

It's still a tall order. House Speaker John Boehner is holding firm on his demand for a six-month extension if the deal isn't closed by week's end. That deal would have to include agreements on the non-transportation issues Keystone XL oil pipeline, coal ash, and the revenue raisers that would pay for the package, according to a leadership aide. By all accounts, the serious discussions on those extraneous issues have yet to begin, and there have been few signs from Republicans or Democrats that they are willing to bend on a controversial provision like Keystone.

This is an awful lot of hoopla for a milk-toast two-year highway bill as the best possible outcome. Is it worth it? What's the difference between six months and 15 months? Won't state transportation departments be reeling under the severe pressures of budget uncertainty no matter what happens? Why should the transportation community kill themselves to lobby for a bill that will be obsolete almost as soon as the ink is dry?

Originally published here: <http://transportation.nationaljournal.com/2012/06/why-bother.php>

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