



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 23, 2008
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 6532 - General Fund Appropriation to the Highway Trust Fund

(Rep. Rangel (D) New York)

The Administration strongly opposes H.R. 6532, which would increase cash balances in the Highway Account of the Highway Trust Fund by transferring \$8 billion from the General Fund. If a bill containing this provision were to be presented to the President, his senior advisors would recommend that he veto it. It is a longstanding principle that highway construction and maintenance should be funded by those who use the highway system. Instead, this bill is both a gimmick and a dangerous precedent that shifts costs from users to taxpayers at large. Moreover, the measure would unnecessarily increase the deficit and would place any hope of future, responsible constraints on highway spending in jeopardy.

This bill shifts \$8 billion in taxpayer funds to cover a \$3 billion Highway Trust Fund Shortfall in the last year of the current highway authorization. The Administration put forth a responsible alternative that would address any shortfall without increasing net spending or drawing on the general treasury. It is disappointing that Congress would consider more deficit spending when it is clear that much more work needs to be done to re-prioritize highway spending and cut down on wasteful projects.

The Administration urges Congress to address the shortfall through a combination of more responsible spending and borrowing from the Highway Trust Fund's Transit Account, which is currently in surplus (as proposed earlier this year in the President's Budget). This transfer would not harm transit spending and would not increase the deficit.

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