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NYT: Bankruptcy Beyond the Potholes.

Congress is lurching toward its standard emergency, edge-of-the-cliff deal for the federal Highway Trust Fund, which could run short of money as early as August. The fund pays for the nation's vitally needed road and transit projects and has operated on an 18.4-cents-per-gallon federal gasoline tax that hasn't been raised since 1993. Now it is running on fumes, raising about $39 billion a year but facing shortfalls of close to $20 billion annually as more efficient cars pay less into the fund while infrastructure repair costs rise.

Worried lawmakers and administration officials are warning that road and transit projects could be halted in a matter of months and hundreds of thousands of construction workers left without paychecks unless Congress comes up with a viable solution soon. Without a long-term solution, planning, building and repairing infrastructure on state and local levels must inevitably suffer, transportation officials are warning.

Uncertainty over the faltering pace of federal funding prompted Arkansas officials to postpone the awarding of 10 planned highway and bridge projects last month. Officials in Colorado and California are talking of similarly slowing or delaying projects because of an anticipated summer slowdown in federal support as trust fund receipts fall short.

Increasingly, states have debated raising their own taxes to assure at least some continuity in transportation projects as Congress dawdles.

The obvious and equitable answer is to raise the gas tax, particularly in an era in which the neglect of infrastructure important to the economy gets palpably worse every year. But even a reasonable increase in the gas tax is considered a nonstarter for timorous lawmakers in an election year. The Obama administration has proposed a four-year, $302 billion transportation bill that would bolster the trust fund with the help of corporate tax reforms, not a higher gas tax. But this approach is already being rejected by congressional leaders as unlikely to pass this year.

Representative Dave Camp, the Michigan Republican who oversees the Ways and Means Committee, has talked about a tax code change to tax profits repatriated from abroad as a revenue source for the highway fund. While this idea has good bipartisan potential, it seems unlikely to happen given Congress's default mode of gamesmanship and procrastination.

"We're running out of time," said Senator Barbara Boxer, the California Democrat who leads the public works committee, of the need to find a multiyear solution. A more stable, six-year plan sought by some lawmakers would require an additional $100 billion to cover trust fund shortfalls, according to congressional budget officials.

Two years ago, lawmakers raided general budget revenues to plaster a patch on the highway trust fund until Sept. 30 of this year. Congress has very little time left to come up with something better than last-minute fiscal sleight of hand.

By THE EDITORIAL BOARD APRIL 12, 2014

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