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House Conservatives Oppose Gas Tax Increase: “There are Other Ways to Increase Highway Funding Besides Raising Taxes”

WASHINGTON, D.C. – Today, as Members of the House Republican Study Committee (RSC) reiterated their opposition to a gas tax increase, RSC Chairman Sue Myrick (R-N.C.) released the following statement:

“Some of those who have advocated a gas tax increase in order to fund additional highway construction have asserted that a gas tax increase is the only way to meet the growing demands of our highway system. We believe that is simply not true. Our preliminary investigation into the current highway funding system reveals that there are numerous ways of increasing funding for highways without raising taxes. Over the next several weeks, the RSC will be investigating each of the following areas:

Use of Existing Highway Funds for Items Unrelated to Highway Construction: Highway funds are currently used for numerous projects other than building highways, including mass transit programs and university research. By law, 10% of funds from the Surface Transportation Program are set-aside for so-called Transportation Enhancements, including bicycle and horse trails, streetscape improvements, landscaping, and historic building preservation. Perhaps most astonishing is that since 1998, over \$120 million in highway funds have been spent for historic preservation and another \$50 million has been spent on transportation museums.

Excessive Labor Costs: According to the Association of Builders and Contractors: “By mandating that prevailing wage rates be paid on federal or federally assisted projects, the Davis-Bacon Act inflates the cost of construction by an average of 5 to 15 percent, and as much as 38 percent in rural areas. According to the Congressional Budget Office, repeal of Davis-Bacon would save Federal transportation infrastructure programs hundreds of millions of dollars annually (over \$720 million annually for highways alone).”

Lack of Alternative Financing Mechanisms: The use of innovative financing mechanisms, including permitting private companies to build roads utilizing tax-exempt bonds and allowing states to utilize “hot lanes” and / or toll lanes for the purpose of funding both toll and non-toll roads are options that should at least be considered prior to enactment of a broad-based tax increase.

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