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"Role in Next Highway Bill", Associated General Contractors

Max S. Baucus

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Senator * or Department*: BAUCUS

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Record Type*: Speeches & Remarks

MONTH/YEAR of Records*: October-2001
(Example: JANUARY-2003)

(1) Subject*: Associated General Contractors (ACG) Board of Directors
(select subject from controlled vocabulary, if your office has one)

(2) Subject* Role in Next Hwy Bill

DOCUMENT DATE*: 10/10/2001
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* "required information"
Memorandum

October 10, 2001

To: Senator Baucus

Fr: Dawn Levy

Re: Speeches at Associated General Contractors (AGC)
Saturday October 12, 2001
Salt Lake City, Utah
Grand American Hotel

NOTE: Joel Long, Joe Hansen and Ed Maronick of Montana Contractors Association will be there.

You will be giving two speeches to the Associated General Contractors on Saturday. One at 9:00 am and one at 10:00 am. Between the speeches there will be a half-hour fundraiser for you. You and I will meet at 8:30 am in the hotel lobby to go over everything.

Speech #1 9:00 am

You will be addressing the Highway Policy Committee (125 contractors)

This should be your standard speech (remember the laminated card I gave you?)
But take a look at the talking points attached.

Main Points:

You will have a large role in writing the next highway bill
You will get involved in financing other transportation modes
You are writing a highway proposal for reauthorization

Key Elements:
1. Highway Trust Fund Protection
2. Environmental Streamlining (I’ve provided a little extra on this subject in your remarks)
3. Trust Fund Reimbursement for Ethanol Incentives.

PLUS you’ll discuss the $5 b for highways proposed in the economic stimulus package.
Transportation Talking Points For Every Occasion
**Associated General Contractors Annual Meeting**
(Board of Directors)

Part I--Your Role in Writing the Next Highway Bill

- If all goes well in November of 2002, I will find myself in a very unique position as we write the next highway bill.

- I am the Senior Democrat on the Transportation Subcommittee of the Environment and Public Works Committee. I am the only Democrat left on the Committee that was directly involved in writing TEA 21.

- Even though I am no longer in a leadership role on the Transportation Subcommittee, I have been assured by Senator Reid--the new Chairman of the Subcommittee that I will be at the table.

- I am also Chairman of the Senate Finance Committee. That Committee has jurisdiction over the Highway Trust Fund. These two positions will allow me to play a role both in the policy discussions and in the funding discussions. And believe me, I have ideas about both.
Part II-Your Expanded Role in Transportation -Beyond Highways

- Transportation is now a priority for the Senate Finance Committee. I realize that this is unprecedented.

- I’ve always had a role with highways, but now I plan to get involved in the financing of Aviation, Transit, Rail and Waterways.

- Other Chairman didn’t make transportation a priority. That was their choice. I chose to focus on those issues. Transportation funding is too important for us to ignore.

- I have a Finance staff member specifically dedicated to transportation. (Dawn Levy-Pronounced LEEVEE).

- I intend to work closely with the authorizing committees of all modes to ensure that our nation, especially in the face of these attacks, maintains a viable economy. The first step towards that is a solid, well-funded transportation system.
Part III—Your New Highway Bill

- Highway Reauthorization. Moving goods and moving people. That’s what it’s all about. The backbone of our economy.

- My staff and I are working on a draft piece of legislation for Highway Reauthorization. I expect to introduce it sometime in 2002.

- It will include three main elements:

  1. Protection of the Highway Trust Fund and the Firewalls

- I believe that the real fight this year — the one that everyone will be able to rally around is protecting what we have. I’m not talking about the formulas. I’m talking about the Firewalls. We need to protect the firewalls.

- Every year, appropriators and others try to break down those walls. They will try again during reauthorization. We cannot let them. We need to maintain the integrity of the Highway Trust Fund.
2. **Environmental Streamlining**

- We need to lay out guidelines for environmental streamlining because we need to get projects done faster. We need to stop the gridlock and get some deadlines set.

- We need to protect the environment--there's no question about that. But there are ways to move things along more quickly.

- I was very disappointed in the DOT rules last year on planning and the environment. I would like to see Congress set out some guidelines.

3. **Reimbursement of the Highway Trust Fund from ethanol incentives**

- I have introduced a bill --S. 1306-- that deposits 2.5 cents from the tax on ethanol-blended fuels currently going to the general fund into the Highway Trust Fund.

- Ethanol deserves its incentives. Its good energy policy, its good agriculture policy and good public policy. However, those incentives should not be at
the expense of the Highway Trust Fund revenues.

- Energy policy cannot be made in a vacuum. We need to think about affects on other sectors of the economy and other issues when we allow alternative fuels to enjoy tax incentives. We need that Trust Fund as big as we can get it.

**Part IV. Economic Stimulus**

- I will be spending a good bit of time in the next few weeks trying to craft a bill to stimulate the economy. As you know, our economy has been slowing down for much of this year and the events of September 11 have crippled many companies and some entire industries.

- President Bush has proposed a $60-$75 billion stimulus package consisting mostly of tax cuts—some aimed at encouraging business investment, some designed to enhance corporate liquidity, and some targeted to increasing consumer demand.

- In addition, President Bush has proposed extending unemployment benefits for displaced workers and providing assistance to these workers in retaining health care insurance.
I agree with all of these goals, although I differ with the President as to the appropriate split between tax cuts and spending initiatives.

I have been working with Treasury Secretary O’Neill, Senator Chuck Grassley of Iowa, and others in a bipartisan manner to try to assemble a package that will stimulate the economy in the short term but not undermine our long-term fiscal outlook.

On the tax side, some of the leading ideas are permitting bonus depreciation in the year capital property is placed in service, allowing a longer period for carryback of net operating losses, and increasing the amount of equipment that can be fully expensed upon acquisition.

I’d also like to discuss a Transportation proposal on the table for Congress’s economic stimulus package for the country.

$5 billion in extra money for State DOTs for 2002

I believe that a good idea to help stimulate the economy would be a quick influx of $5 billion to the states for highway projects.
• The money would be distributed by formula and would be taken from the balance of the Highway Trust Fund.

• This is money that I hope can be spent quickly by state DOTs. Fast spending means fast jobs. But, I need to hear from you about HOW quickly this money will be spent. How fast will you hire new workers? How fast can you buy new equipment?

• The other good thing about the $5 billion is that we would go into reauthorization with a bigger program, therefore justifying a big program in "TEA-22."