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TOP LAWMAKERS TRY TO SAVE HIGHWAY BILL

By Jake Sherman and Burgess Everett

Politico

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Top congressional leaders will meet Tuesday afternoon to decide the fate of the long-stalled transportation bill.

Speaker John Boehner, Senate Majority Leader Harry Reid, House Transportation Chairman John Mica and Sen. Barbara Boxer will huddle Tuesday afternoon to discuss how to break an impasse on negotiations that threaten the nation's highway funding.

Federal highway funding runs dry at the end of June and the House is only in session for seven legislative days before then. Transportation policy has operated on a series of nine stopgap extensions for nearly 1,000 days, and the last long-term transportation bill was enacted in 2005.

The leadership meeting reflects a new sense of urgency in the conference committee negotiations, but it's not clear whether the lawmakers will come up with a short-term Band-Aid for highway funding or finish negotiations on a longer-term bill that's become stalled in a House-Senate battle. The full 47-member conference committee has only met once, though smaller informal meetings and marathon staff discussions have continued during the past month and a half.

On Monday evening, Republican negotiators told POLITICO that because little headway has been made in the process, discussions of an extension of current policy are beginning to heat up. While the Senate passed a comprehensive two-year transportation bill, the House only passed a short-term stopgap measure that was loaded with controversial policy riders, including expedited approval of the Keystone XL pipeline and waivers for environmental reviews for certain projects.

Lack of movement toward the House position on streamlining environmental reviews has infuriated House negotiators, particularly the first-term lawmakers on the committee who see no point in accepting the bipartisan Senate bill if it doesn't reflect at least a faint imprint of the House's views on transportation. In an interview late Monday, freshman Rep. Reid Ribble accused Senate leaders of maintaining an "almost intransigent" position by not moving in the lower chamber's direction.

Rep. John Duncan (R-Tenn.), a senior member of the House Transportation committee, said the six-month stopgap suggested several weeks ago by Boehner might make the most sense given the stalled talks.

“Based on what I’ve been told, I don’t expect anything to happen by the end of this month,” Duncan said. “We’ve talked about a six-month extension. We’ve talked about a much shorter extension, but there’s no need to do a much shorter extension at this point if there’s no real movement.”

But Boxer and Sen. Jim Inhofe (R-Okla.), the ranking Republican on Boxer’s Senate Committee on Environmental and Public Works, have declined to publicly entertain an extension. Both remain committed to beating the June 30 deadline. Boxer said there is a possibility the entire 47-member conference committee will reconvene, depending on this week’s progress.

“We’re sending negotiations back and forth everyday,” Boxer said Monday. “We should know this week exactly whether we’re going to need to have a meeting or not.”

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LAWMAKERS FAIL TO BREAK US TRANSPORT BILL DEADLOCK

By David Lawder and Roberta Rampton

Reuters

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U.S. congressional leaders failed on Tuesday to break a deadlock on a long-stalled transportation funding measure, and Republicans now may need to find a new legislative vehicle to carry their plan to approve the controversial Keystone XL oil pipeline.

With a June 30 deadline for new transportation funds looming, many lawmakers and aides now see it as inevitable that the controversial Canada-to-Texas pipeline provision be removed to make way for a short-term extension of current transportation law.

House of Representatives Speaker John Boehner and Senate Majority Leader Harry Reid could not resolve differences in a late afternoon meeting over the road, bridge and rail bill that could create or save millions of jobs and give a lift to the struggling U.S. economy.

"Hope springs eternal," Boehner, the top Republican in Congress, quipped as he left his office in the Capitol.

Failure to reach a deal in Congress could trigger layoffs of nearly 3 million U.S. construction workers and increase unemployment less than six months before the November elections.

HOPES DIM FOR FULL BILL, KEYSTONE

Republican Representative Ed Whitfield, one of the negotiators trying to iron out House-Senate, said he feels that a short-term extension of current transportation funding is unavoidable at this point, and neither the Keystone pipeline nor a Republican provision aimed at ensuring that coal ash can continue to be used in cement for road projects would be included.

Whitfield said both provisions have been rejected by Democrats, adding, "It's really disappointing that we couldn't get this resolved."

But Republican House Transportation Committee Chairman John Mica said Boehner and Reid instructed negotiators "to redouble our efforts," and the Democratic-led Senate had offered a new proposal. He declined to comment on any discussions of a temporary extension, which would be the 11th since the most recent transportation bill expired in 2009.

"We're going to take it hour by hour, see if we can get the job done," Mica said.

Michael Steel, a spokesman for Boehner, said House negotiators were still working towards a joint bill.

"We believe it is crucial that we have real reforms in how we spend taxpayers' highway dollars, and we continue to support bipartisan jobs initiatives like Keystone," Steel said.

President Barack Obama has opposed fast-tracking approval for TransCanada Corp's Keystone XL oil pipeline project until an environmental review of its new route is completed.

The House lawmaker who authored the pipeline provision, Nebraska Republican Lee Terry, also said it is now unlikely to be part of a short-term, stopgap funding extension.

"He doesn't see it happening at this point," a Terry aide told Reuters, noting Terry continued to work with Boehner to see what other legislative vehicles could be used to advance approval for the oil pipeline.

A Senate Democratic aide said the Keystone provision might have another chance if lawmakers complete a highway bill this summer or autumn.

Republicans would "explore every option," for Keystone, said Whitfield, including attaching it to spending needed to keep the government running in the new fiscal year that starts on October 1.

Many observers believe that Obama will approve Keystone sometime after the election, possibly in 2013. But House Republicans are not ready to take that on faith, said Garrett Golding, an analyst with The Rapidan Group, a Washington-based oil consultancy.

"They really want the security blanket that legislative approval would bring," said Golding, who until recently was a policy advisor to the House Energy and Commerce Committee.

DOWN WITH FLOWER BEDS

Deep differences still remain on core parts of the transportation bill.

House Republicans have insisted on consolidating some federal transportation programs and streamlining environmental reviews of road projects in order to speed up their construction. They also want to drop a proposal to use gasoline taxes to help pay for ancillary transportation "enhancements" such as flower beds and other streetscape improvements.

Earlier this month, Boehner floated the idea of a six-month extension of current funding, which would remove the threat of a halt in road and rail construction until after the November 6 elections.

Democrats have balked at that idea, saying it would deplete the Highway Trust Fund because falling gasoline tax collections were insufficient to fund current projects.

They say U.S. states also would delay the start of new longer-term projects - and the hiring of hundreds of thousands of workers - due to the lack of funding certainty.

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REID AND BOEHNER SAY THEY WANT TRANSPORTATION BILL FINISHED BY JUNE 30

By Ashley Halsey III
Washington Post
June 19, 2012

With the clock about to run out on federal highway funding, House Speaker John A. Boehner and Senate Majority Leader Harry M. Reid sent a message Tuesday to their members: Find a way to compromise.

"Senate leader Harry Reid and Speaker John Boehner have told Chairman John Mica and me to finish our work this week on the transportation bill," Sen. Barbara Boxer (D-Calif.) said after a Capitol Hill meeting of the four leaders. "I have asked Chairman Mica to meet continually over the next several days to achieve this deadline."

Without a conference-committee deal by June 30, Congress will face extending funding levels set in 2005 yet again. An extension may force Congress to deal with an issue it has avoided for almost three years: how to pay for the nation's long-term transportation needs.

There have been nine extensions since the last long-term transportation bill expired in 2009, and divisions this year have been particularly pronounced in the House. After the Senate approved a bill with bipartisan support, a House bill failed amid Republican infighting over transit funding.

The root problem is bigger than partisan differences. Even when Democrats held both houses, Congress couldn't decide how to deal with funding. At present, the federal government provides about \$40 billion of the \$160 billion spent on transportation each year.

But the funding mechanism that built the interstate system and paid the federal share of transportation money for more than half a century doesn't work anymore. Unless Congress agrees on the bill now in conference, by early next year Washington won't be able to pay up when states send in bills for federally approved projects, according to the nonpartisan Congressional Budget Office.

The bill the Senate sent to conference committee doesn't solve the problem, either. It uses several bandaids drawn from elsewhere to shore up projected shortfalls in the Highway Trust Fund. That money is a one-time fix, not a revenue stream.

That bill, everyone agreed, was "buying time" for Congress to address the real problem.

That problem is that the 18.4-cent federal gas tax isn't enough to pay the bills, and if Congress continues to spend at current levels it will be between \$85 billion and \$115 billion in the hole by 2021. Raising taxes of any sort has been seen as political suicide.

The other most talked about option — charging people for the miles they travel, through some sort of toll — is profoundly unpopular among those who argue that Americans already have paid for the interstate system and should not be made to pay again.

Current law requires that if the trust fund runs low, Washington must ration payments to states to keep the fund in balance. States pay up front for federally funded projects and submit bills. If a trust fund shortfall causes Washington to become a slow-pay, each state would have to decide how long it could foot the bill before shutting down highway and transit projects.

"We would project that for a six-to-eight-week period, we could float the cash for projects that already are underway," said Jack Cahalan, spokesman for Maryland's secretary of transportation. "However, with any slowdown in reimbursements, we certainly wouldn't advertise any new projects. We'd put a hold on those."

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NEW OFFER FROM SENATE DEMS IN HIGHWAY TALKS

By Keith Laing and Russell Berman

The Hill

June 20, 2012

Senate Democrats made a new offer for a long-term highway bill to House Republicans on Tuesday as leaders of both parties intervened in the stalled talks in a last-ditch effort to salvage them.

House Speaker John Boehner (R-Ohio) and Senate Majority Leader Harry Reid (D-Nev.) urged their chambers' lead negotiators to double down on efforts to reach a deal before June 30, when the authorization for federal highway programs is set to expire.

It was leadership's first formal meeting with the key players in the process, which has consumed both chambers for months.

"We're going to talk hour by hour and see if we can get this done," Rep. John Mica (Fla.), the chief House GOP negotiator, told reporters as he emerged from Boehner's office.

Both sides have something to lose if they cannot win a long-term deal — and the impending election is making it difficult to agree. The bill is likely the Democrats' best hope for passing jobs legislation before the election.

Mica said that his Democratic counterpart, Sen. Barbara Boxer (Calif.), had presented new Senate proposals but that he had yet to fully review them and could not say whether they represented concessions on the key sticking points. Mica had planned to brief Republican members of the 47-member House-Senate conference committee later Tuesday. Before the leadership meeting, Mica said he needed to see "a lot of concessions on some of the major issues" from Democrats.

Boxer issued a short statement after the meeting, saying only that Boehner and Reid had instructed the conference leaders "to finish our work this week on the transportation bill." She said she asked Mica "to meet continually over the next several days to achieve this deadline."

While the Senate passed a two-year, \$109 billion transportation bill with bipartisan support, the Republican-led House could only garner support for short-term highway extensions loaded up with reforms to spending programs and environmental regulations. The House GOP is also pushing to include language approving the Keystone oil sands pipeline in the final legislation.

"We believe it is crucial that we have real reforms in how we spend taxpayers' highway dollars, and we continue to support bipartisan jobs initiatives like Keystone," Boehner spokesman Michael Steel said.

Republicans say they must see movement from Democrats on the issues of program consolidation, transportation reforms and relaxed environmental rules.

Earlier Tuesday, Boehner told reporters, "I'm going to stress to Sen. Reid and Sen. Boxer that we want a bill, but we also are going to insist on reforms to the process by which we spend the highway tax dollars that the American voters give us to rebuild America's highways."

The meeting was part of a final push to reach a deal on legislation that would fund highway spending for at least 18 months. Lawmakers have approved a series of nine short-term extensions to a transportation appropriation measure that expired in 2009, and are trying to avoid passing another temporary measure.

"Everybody is staring at each other right now waiting for someone to blink," said freshman Rep. James Lankford (R-Okla.), a member of the House-Senate conference committee.

He said there was “still time to get a conference report” before the June 30 deadline but that another extension of current funding was also under discussion.

The Boehner-Reid meeting comes after increasingly sharp rhetoric from Boxer and Mica that seemed to indicate the conference committee talks were breaking down.

Boxer, the chairwoman of the transportation conference committee, said the House lacked "urgency" and "leadership" in the highway talks. Mica countered that the Senate was "unwilling to compromise at all" on House preferences such as mandating the approval of the controversial Keystone XL oil pipeline.

Boehner has suggested Congress could pass a six-month extension if the conference committee fails to reach an agreement on a longer bill. Transportation advocates and Democrats in the Senate have argued that doing so without appropriating new money to road and transit would hasten a bankruptcy in the highway trust fund that has been projected by the Congressional Budget Office to occur in 2013.

The House has already approved an extension of current funding that would carry transportation funding, and the authorization to collect the 18.4 cent-per-gallon gas tax that goes into the highway trust fund, through Sept. 30. But that measure would have to be approved by the Senate to become law.

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CONGRESS LEADERS INVOLVED IN HIGHWAY TALKS

UPI Syndicated Wire Reports
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House Speaker John Boehner, R-Ohio, said he and the majority leader in the U.S. Senate were getting involved in negotiations over a new highway spending bill.

Boehner said he and Senate Majority Leader Harry Reid, D-Nev., were taking part in a sit-down Tuesday with Rep. John Mica, R-Fla., and Sen. Barbara Boxer, D-Calif., the co-leaders of the 47-member conference committee wrestling with the bill.

"I'm going to stress to Sen. Reid and Sen. Boxer that we want a bill, but we also are going to insist on reforms to the process by which we spend the highway tax dollars," Boehner told reporters prior to the meeting.

The meeting came as the clock ticked down toward the June 30 deadline for a bill that would extend federal funding for highway construction and maintenance for another 18 months, The Hill said.

Boehner contended the Democrats were seeking to divert spending toward fringe projects rather than "fixing highways and rebuilding highways instead of planting flowers and diverting money for purposes that (the fund) was never intended to do."

Boxer countered the GOP had its own clashing priorities, including a mandate to green-light the controversial Keystone XL oil pipeline.

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NEW EYMAN INITIATIVE LOOKS TO EXTEND 2/3 REQUIREMENT FOR NEW TAXES IN OLYMPIA

By C.R. Douglas

Q13 Fox News—Seattle, Washington

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Initiative guru Tim Eyman is back on the street collecting signatures for another new anti-tax measure.

“There’s no doubt that down in Olympia they do not like the idea of making it tougher to raise taxes,” said Eyman.

This year’s effort, Initiative 1185, is essentially the same as the one Eyman successfully pushed 2 years ago, requiring that new taxes receive at least 2/3 majority in the state legislature.

That 2010 initiative is still in place, but, like with all initiatives, the legislature can scrap it after two years. Eyman’s new measure would ensure that the supermajority requirement is good for at least another two years.

Critics are blasting Eyman for the money he’s getting from big oil companies. Of the nearly \$1 million he has raised so far to pay signature collectors, \$450,000 has come from companies such as BP and Shell. He’s also gotten \$500,000 from the beer and wine industry.

“It’s not a surprise that the business community is like every other taxpayer in the state,” said Eyman. “We’re in the middle of a recession, we can’t afford higher taxes.”

When it comes to the oil money, longtime Eyman critic Adam Kline, a State Senator from Seattle, says the industry fears new taxes not just on gas and oil, but on things like brake and transmission fluids. It’s an idea that Olympia has considered.

“One of the things we discussed was simply making the oil industry pay its own way in terms of the cost of cleaning up after themselves,” said Kline. “Well, we didn’t do it, and now they are deathly afraid that we will.”

Eyman has until early July to collect 250,000 valid signatures for his new measure.

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TOBACCO SHOP FILES LAWSUIT AGAINST STATE

KMAS New Radio—Mason County, Washington

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Several roll-your-own tobacco shops have filed a lawsuit over a new state law that seeks to impose new taxes on roll-your-own cigarettes. The lawsuit filed Friday names the state Department of Revenue and the state Liquor Control Board as defendants. The lawsuit was filed in Franklin County by Dana Henne; 1/2 Price Smokes, Inc. and RYO Machine, LLC. They contend the new taxes violate Initiative 1053, which was passed in 2010 and requires a 2/3rds vote of the state Legislature to raise taxes. The state has about 65 independent roll-your-own tobacco stores.

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