

Statement of Congressman Gerald E. Connolly

February 14<sup>th</sup>, 2012

Since 1956, the Highway Trust Fund has supported surface transportation programs through user fees. Since the Reagan Administration, these user fees have been divided between highway and transit accounts in order to improve mobility in an increasingly suburban and urban nation. Unfortunately, H.R. 7 would unravel the user fee system for transportation funding and fill the gaping funding hole left behind with budgetary gimmicks that endanger the reliability of transportation funding while hollowing out the civil service.

One of those gimmicks is slashing federal employees' pensions. By requiring federal employees to pay three to four times more money out of pocket, while at the same time reducing their benefit by up to 40%, House Republican leadership would subject federal retirees to yet another sacrifice while defunding transportation, particularly transit. Who is going to want to work for the federal government when federal employees earn 26% less than their private sector counterparts for comparable work, and on top of that will have higher annual pension payments in return for much smaller pension benefits? Gutting federal pensions will make it even harder to recruit and retain the civil servants who provide essential services in communities at a time when the pending mass exodus of baby boomers means that federal retirements are likely to accelerate.

I have introduced a simple amendment to replace Title 16's attack on federal employees with a sustainable source of revenue linked to transportation fuels—closure of tax loopholes for large oil companies, based on legislation introduced by Senator Menendez and Congressman Blumenauer. The Democratic Whip, Ranking Member Cummings, Congressman Van Hollen, Congressman Towns, Congressman Moran, Congresswoman Norton, Congressman Danny Davis, Congressman Kucinich, and Congresswoman Hirono are cosponsors of this amendment. House Republican leadership's rejection of maintaining user fee funding for transportation is a threat to the long term viability of our national infrastructure. Replacing the federal pension funding gimmick with funding from a transportation fuel would provide immediate and more reliable funding. Unlike revenue from new oil drilling, closing a tax loophole would not require waiting for years of exploration and development before the revenue starts flowing.

Congressman Cummings, who is Ranking Member of the Oversight and Reform Committee, introduced two analogous amendments. In recognition of the absurdity of using federal pension cuts to fund transportation, one of his amendments simply strikes Title 16. As Mr. Cummings has pointed out, the legislation to slash federal pensions was rushed through the Oversight Committee with no hearing on a party-line vote. Mr. Cummings also has an amendment to strike Title 16 and replace the revenue with a tax solely on millionaires. Perversely, House Republicans have called on federal employees to sacrifice everything while asking for more tax

cuts and tax loopholes for oil companies and millionaires. In an Orwellian moment at the Oversight Committee, Chairman Ross called for “shared sacrifice,” yet this bill eviscerates middle class pensions while giving millionaires and oil companies protected status. Apparently “shared sacrifice” is code for “federal employees” in Republican parlance. It even includes special interest giveaways for oil companies like the Keystone pipeline and destruction of the Arctic National Wildlife Refuge through drilling. Mr. Cummings’ amendments highlight the false choices contained in this bill: Of course we can fund transportation with user fees or revenues otherwise linked to transportation fuel, but only if the House leadership puts far-right ideology aside in favor of patriotism. In addition to Mr. Cummings’ amendments, Workforce Subcommittee Ranking Member Lynch introduced an amendment to prevent the pension cuts from taking effect during years in which there is a federal pay freeze.

Federal employees already have contributed to \$60 billion to deficit reduction by enduring a 2 year pay freeze. Like most Americans, they do not object to shared sacrifice, but reasonably are outraged when they are made the scapegoat and whipping boy by Republican political opportunism. I urge the Rules Committee to reject the partisan assault on our civil service and support the amendments my colleagues and I introduced to protect federal pensions.