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October 11, 2010

Obama Pushes Transportation Spending

By JACKIE CALMES

WASHINGTON — The Obama administration said Monday that it would ask the lame-duck Congress next month to approve a \$50 billion down payment on his long-range initiative to improve the nation's roads, railways and air systems and to find savings to offset that cost, suggesting a new urgency to create jobs after last week's disappointing unemployment report.

President Obama met at the White House with mayors, governors and current and former transportation secretaries of both parties to promote the infrastructure initiative, which he first proposed in September. Afterward, **Ray LaHood**, his transportation secretary and a former Republican congressman, told reporters that the lame-duck session would present an "upfront opportunity" to pass the \$50 billion measure.

Before then, however, the midterm elections on Nov. 2 are all but certain to expand the size of Mr. Obama's Republican opposition for the new Congress that convenes in January. So Republicans returning later in November for unfinished business are likely to be in no mood to compromise with the White House when they will have the strength of greater numbers in the new year.

Approving \$50 billion more for construction projects would be difficult enough, given that many Democrats have shied away from supporting more economic stimulus spending and that Republicans

have convinced many voters that Mr. Obama's initial two-year stimulus program, which included roughly \$40 billion for transportation projects, failed to create jobs. But trying to agree on offsetting savings also would be contentious.

"This plan will be fully paid for," Mr. Obama told reporters in the Rose Garden. "It will not add to our deficit over time."

In September, Mr. Obama proposed allocating \$50 billion as a short-term step before creating a national infrastructure bank, which would seek public-private partnerships to invest in projects selected on merit and take some decision-making out of the hands of Congress. To raise the \$50 billion, he called for ending some tax breaks for the [oil industry](#). White House officials said he would press for action in Congress next year.

Republicans, many of whom are from energy-producing states, oppose such measures, and higher gasoline taxes too.

Mick Cornett, a Republican who is the mayor of Oklahoma City, said after the White House meeting that an administration official indicated that "they're going to bargain it with the tax cuts in the lame-duck" session — suggesting that Mr. Obama might agree to extend the [Bush tax cuts](#) temporarily for wealthy taxpayers to get Republicans' support for transportation money.

But administration officials and others at the bipartisan meeting said no one suggested a possible trade-off. The Bush tax rates expire Dec. 31, and Mr. Obama [supports extending them](#) for incomes below \$250,000 a year, while Republicans want an extension of top rates as well.

"There was never a hint of bargaining off the administration's position on tax cuts for infrastructure," said Gov. [Edward G. Rendell](#) of Pennsylvania, a Democrat.

Said [Norman Y. Mineta](#), a Democrat who served in Congress and more recently was transportation secretary in the Bush administration, "The whole issue of financing has not really been thought out."

In any case, Congress is unlikely to take up new issues after the election.

“We will look for ways to promote jobs, and infrastructure certainly could be one of those ideas,” said a Democratic leadership aide, speaking on the condition of anonymity. “But I doubt it will be in the lame duck, and we can’t commit to a specific number or plan yet.”

The lame-duck Congress will consider reauthorizing existing transportation programs for a short time because those otherwise expire after Dec. 31. But a six-year reauthorization has been stalled because supporters on the Congressional transportation committees — including a few Republicans — say a higher [gas tax](#) is needed to maintain America’s roads, bridges, transit systems and ports. But most colleagues oppose raising the tax.

“The infrastructure needs are real,” Mr. Cornett said. “We can argue about how to pay for it. We spend \$50 billion to rebuild Afghanistan. We’re reconstructing Kabul and not Philadelphia.”

The administration’s decision to seek \$50 billion soon instead of waiting until early next year came as a surprise to some at the meeting. But Democrats said it reflected both concern for the economy’s weakness and the fact that the lame-duck Congress will probably have more Democratic votes than the new Congress in January.

Last Friday’s [monthly jobs report](#) confirmed a slowdown in already anemic private-sector hiring, and stoked calls from cities, states, business groups, unions and many economists for more federal help.

Mr. Obama, appearing in the Rose Garden with the other officials after their meeting, brandished a new report from his economic advisers concluding that this is the “optimal time” to invest in public works because of high unemployment and lower prices in the construction industry, which has been hit harder than any other by the punctured bubble in housing and commercial real estate.

The report said that 61 percent of new jobs would be in the construction sector, which has an unemployment rate nearly twice the overall national average of 9.6 percent.



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