

August 29, 2011

The Honorable John Mica  
Chairman  
Committee on Transportation and Infrastructure  
U.S. House of Representatives  
2165 Rayburn House Office Building  
Washington, DC 20515-6256

The Honorable Nick Rahall  
Ranking Member  
Committee on Transportation and Infrastructure  
U.S. House of Representatives  
2163 Rayburn House Office Building  
Washington, DC 20515-6256

The Honorable John Duncan, Jr.  
Chairman  
Subcommittee on Highways and Transit  
Committee on Transportation and Infrastructure  
U.S. House of Representatives  
B-376 Rayburn House Office Building  
Washington, DC 20515

The Honorable Peter DeFazio  
Ranking Member  
Subcommittee on Highways and Transit  
Committee on Transportation and Infrastructure  
U.S. House of Representatives  
B-375 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Mica, Ranking Member Rahall, Chairman Duncan and Ranking Member DeFazio:

The Coalition of Northeastern Governors (CONEG) urges Congress to act expeditiously to ensure continuity and stability of the nation's highway, transit and safety programs and the Highway Trust Fund through which many of these critical programs are funded. With the current authorization of federal surface transportation programs set to expire September 30, 2011, we strongly encourage the House and Senate committees of jurisdiction to continue their respective negotiations to achieve enactment of an adequately funded, multi-year authorization bill.

We also recognize that Congress must address a number of other critical national issues before October 1, 2011. Therefore, to avoid any prospect of a lapse in the program and funding authorization, we urge Congress to act as soon as possible in September on a clean extension, of at least one year at current funding levels, of the authorization for existing federal surface transportation programs, including authorization to continue the collection of existing taxes to and expenditures from the Highway Trust Fund.

The disruptions caused by a lapse in the underlying authority of federal surface transportation programs and funding would be immediate, widespread and severe. For example:

- The Highway Trust Fund would be frozen – unable to collect fuel and related taxes paid by individual and business users of the transportation system, or to reimburse state and local governments for expenses already incurred. Such a freeze would deprive the Highway Trust Fund of badly needed revenue, and simultaneously shutdown highway and transit projects already underway. A freeze would affect thousands of private sector direct jobs in project planning and construction, and contribute to a ripple effect on the materials, services, and supply firms that support transportation projects. In addition, a delay in reimbursement of expenses already incurred by state and local governments would create an untenable situation for their already-stressed budgets, and could result in furloughs of the state employees who implement these national, federally-funded programs.

- The loss of authorization could terminate planning, project and construction activity across a wide array of state and local programs, including highways and transit; safety programs for highways, motor carriers, pipelines and hazardous materials; transportation research, including University Transportation Centers; and data and statistics programs used to measure system performance and efficiency. The authority for innovative financing programs could also be affected, including tolling projects; Private Activity Bonds for highway and freight transfer facilities; Transportation Infrastructure Finance and Innovation Act (TIFIA) projects; and State Infrastructure Banks (SIBs). Of particular concern to the northeast states, any disruption in transportation projects at this time of year further shortens a construction period that is already limited by weather conditions.

We are also concerned that any lapse on October 1 in authority to collect current taxes and fees to the Highway Trust Fund would result in the loss of revenues and also create far higher procedural hurdles in Congress than a simple extension before October 1.

The extension of the current authorization, for at least one year at current levels, is needed to provide the continuity and stability crucial to the public and private sector planning and investment for the immediate and future needs of the nation's highways, transit systems, ports and waterways. The annual spending cap just set by the Budget Control Act and the pending FY2012 transportation appropriations bill promise to provide some certainty about the federal appropriations available to state and local governments. An extension of less than one year creates additional uncertainty as states plan and budget for transportation program and projects in the coming year. This uncertainty could make state and local governments hesitant to commit to new highway, safety or transit projects.

In summary, we urge Congress to maintain the continuity and stability of the federal, state and private sector partnership for the nation's surface transportation system by continuing to negotiate an adequately funded, multi-year surface transportation authorization bill. While these deliberations continue, we also urge Congress to act well before September 30 on a clean extension, of at least one year and at current funding levels, of the existing authorization for surface transportation programs, particularly the Highway Trust Fund. Through this action, Congress can ensure that federal, state and private sector investments will continue to address immediate transportation needs; help maintain national economic activity that depends upon the transportation sector; and lay the foundation for longer term improvements and efficiency of a transportation system that will move people and goods in a competitive national and global economy.

Sincerely,

/o.s./  
Deval L. Patrick  
Governor of Massachusetts  
CONEG Chair

/o.s./  
Lincoln D. Chafee  
Governor of Rhode Island  
CONEG Vice-Chair

/o.s./  
Peter Shumlin  
Governor of Vermont  
CONEG Transportation Lead  
Governor

*Identical letters were also sent to House and Senate Leadership; Senate Environment and Public Works, Senate Commerce & Subcmte on Surface Transportation; Senate Banking & Subcmte on Housing, Transportation and Community Development; Senate Finance; House T&I Subcmte on Highways and Transit; and House Ways and Means.*