

October 5, 2007

The Honorable John Olver  
Chairman  
Subcommittee on Transportation,  
Housing and Urban Development, and  
Related Agencies  
Committee on Appropriations  
United States House of Representatives  
2358 Rayburn House Office Building  
Washington, DC 20515-6027

The Honorable Joe Knollenberg  
Ranking Member  
Subcommittee on Transportation,  
Housing and Urban Development, and  
Related Agencies  
Committee on Appropriations  
United States House of Representatives  
1016 Longworth House Office Building  
Washington, DC 20515-6157

Dear Chairman Olver and Ranking Member Knollenberg:

As you begin the conference on the FY2008 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, the Coalition of Northeastern Governors (CONEG) would like to express our strong support for full funding of the nation's transportation programs and critical community development programs. Recognizing the difficult fiscal decisions that face the Appropriations Committee, we appreciate your continued support of these programs, including full funding of the highway, transit and safety programs; additional funding for the nation's bridges; critically needed funding for intercity passenger rail systems; and increased funding for the Community Development Block Grant program.

### Highways, Bridge and Transit

The CONEG Governors appreciate the Committee's action to fund federal-aid highway obligations at \$40.216 billion, the FY2008 authorized level as adjusted by the Revenue Aligned Budget Authority (RABA). We ask that any rescission of unobligated balances of highway funds be done consistent with the Senate provision to provide states with the maximum flexibility to manage their programs.

The Northeast region has some of the nation's oldest and most heavily used bridges on its urban and rural highway systems. Therefore, the CONEG Governors support the Senate's recent action to provide an additional \$1 billion for obligation authority for the nation's bridges, and the distribution of this money consistent with the existing needs-based bridge program. These funds will ensure that much-needed additional funds can be provided to the states in a timely manner.

We also urge Congress to fund transit programs at the full authorization level of \$9.731 billion, including the Formula and Bus Grants, the Capital Investment Grants, and the Small Starts Programs. In addition, we support the Senate language calling for the Federal Transit Administration to conduct a study of the state of repair of subway and commuter rail systems. This assessment can provide important, quantifiable information on the needs of these fixed guideway systems in preparation for the next U.S. Department of Transportation (USDOT) Conditions and Performance Report and for reauthorization of SAFETEA-LU.

### Intercity Passenger Rail

The Governors urge Congress to provide \$1.5 billion for intercity passenger rail, including \$1.4 billion for Amtrak and \$100 million for the new intercity passenger rail capital investment program with states. Congress' continuing support for Amtrak capital and operating funds; its ongoing oversight of operational and financial reform; and investments by Amtrak and the states have contributed to recent record ridership and revenue increases for Amtrak. Maintaining and improving this progress will require substantial increases in federal capital funds for infrastructure and equipment investments essential to improve reliability of service, constrain maintenance costs, and move the system toward a state of good repair. The \$925 million in capital funds provided in the House bill will permit Amtrak to make much-needed progress toward infrastructure and equipment projects that can improve overall on-time performance and avoid major service disruptions.

We welcome Congress' recognition of the increasing investments made by states in support of intercity passenger rail service. A new assistance program to provide \$100 million in matching grants for planning and capital projects in state corridors is another important step in strengthening the federal-state partnership to enhance and expand intercity passenger rail service across the nation.

The Governors appreciate the continuing efforts by Congress to encourage greater transparency by Amtrak in its data, financial systems and decision-making. The House requirement for the USDOT Inspector General to report on Amtrak's five-year capital plan will be an important step toward determining the overall need for normalized replacement expenditures as well as the mounting backlog of capital investments. We are also pleased that both the House and Senate bills call for the USDOT Secretary to act in a timely and consultative manner with Amtrak and the Northeast Corridor (NEC) states to establish a common definition of state of good repair on the NEC, and to report to Congress on its findings, including definitional areas of disagreement. This process is an important step toward more meaningful collaborative and transparent information and decision-making. The Northeast states look forward to participating in this process.

The Governors welcome the Committee's continued emphasis upon railroad safety, as the nation looks to passenger and freight rail systems to provide greater mobility and relief from the growing congestion of highway and aviation systems. We recognize the importance of maintaining an active federal role in railroad safety, research and development and railroad relocation programs. Maximum federal funding for these programs, as well as the Surface Transportation Board, is important as the nation's rail systems assume increasing importance for the timely, efficient and environmentally sound movement of people and goods throughout the nation.

Community Development

The CONEG Governors urge Congress to provide \$4.18 billion for the Community Development Fund. Of that amount, \$3.929 billion is for the Community Development Block Grant (CDBG) program as provided in the House bill. This program enables states to provide funding for infrastructure improvement, housing programs and projects that attract businesses to urban and rural areas, create new jobs and spur economic development, growth and recovery in the nation's low income and rural communities.

The CONEG Governors thank you for the opportunity to share these priorities and appreciate your consideration of these requests.

Sincerely,

/o.s./  
Jon S. Corzine  
Chairman  
Governor of New Jersey

/o.s./  
Jim Douglas  
Vice-chairman  
Governor of Vermont

/o.s./  
M. Jodi Rell  
Lead Governor for  
Transportation  
Governor of Connecticut

*Identical letters were provided to leadership of both House and Senate Appropriations Committees and their respective Transportation, Housing and Urban Development, and Related Agencies Subcommittees.*