

December 1, 2008

The Honorable Barack Obama
President-elect
United States of America
451 6th Street, N.W.
Washington, DC 20001

Dear President-elect Obama,

For over 30 years, the Coalition of Northeastern Governors (CONEG) has worked to encourage non-partisan cooperation among the Northeast states and with the federal government on issues that affect the economic, social, energy and environmental well-being of the Northeast states and the nation. As you and your transition team prepare for the coming year, CONEG is pleased to share with you critical regional issues that call for action early in 2009.

The nation's transportation system is a bedrock issue for near-term recovery and longer term health of our nation's economy. The CONEG Governors have long recognized the crucial links among transportation, economic competitiveness, sustainable development, and environmental quality. A balanced, integrated, well-functioning transportation system is essential for a globally competitive economy; broadened employment opportunities; efficiency in the movement of people and goods; redundancy for security and emergency response; and environmentally-sound and energy smart travel. Particularly in the Northeast, rail – intercity, commuter, freight and their intermodal links – is a vital part of the transportation system that helps balance demand across multiple modes. Policy decisions guiding the nation's transportation sector – its systems, vehicles and fuels – will also be critical to achieving the emerging national goals for energy and climate change.

The nation's transportation system is a core national interest. Therefore, we urge your Administration to consider significant financial investment in transportation infrastructure as part of your immediate strategy for economic recovery. Ideally, these investments will serve as down payments for long-term economic growth as well as shape policy goals related to transportation, energy and the environment.

As you determine the Administration's agenda for early next year, we urge you to consider the following transportation issues.

Incorporate Transportation Infrastructure in an Economic Stimulus Program

The nation's economic recovery will require investments in activities that can generate continuing, high-quality job retention and creation. Any economic stimulus bill should include significant federal investment in transportation infrastructure projects that are "ready-to-go." These funds should be provided in a manner that will ensure timely commitment within 180 days to infrastructure projects that can retain and create jobs in the public and private transportation sector. Stimulus funds should be allocated for system preservation and maintenance to forestall further erosion of existing infrastructure, as well as for new projects which, in many cases, will leverage billions of state, local and private sector dollars. To ensure this timely commitment, funds should be 100 percent federal and available to all transportation modes including rail. Optimal flexibility in the use of stimulus funds, consistent with project eligibility provisions, would allow states to direct these funds to transportation projects that will support and enhance local, regional and national economic recovery.

Ensure Adequate Transportation Funding in FY2009 Appropriations and FY2010 Budget Request

Under the current Continuing Resolution, the Office of Management and Budget is withholding Transit Formula Funds and Airport Improvement Program Funds pending determination of a final FY2009 transportation appropriations level. This action is particularly difficult for non-urbanized transit authorities who frequently rely upon the formula funds for operating expenses as well as capital projects. We urge prompt action by your Administration to release these appropriations.

Infrastructure stimulus funding for "ready-to-go" projects does not replace the need for adequate transportation program funding levels for the remainder of the FY2009 appropriations cycle and in the FY2010 budget. Particular attention is needed to prevent insolvency of the Highway Account of the Highway Trust Fund which has been hard hit by the economic downturn. We also urge your support, in FY2009 appropriations and in the FY2010 budget request, for adequate funding of intercity passenger rail as provided in the newly enacted Passenger Rail Investment and Improvement Act of 2008 (PRIIA), particularly funding for Amtrak, state capital grants, and the Northeast Corridor Infrastructure and Operations Advisory Commission.

Create a New State-Federal Partnership for the Northeast Corridor (NEC)

The PRIIA calls for the creation, by Spring 2009, of a Northeast Corridor Infrastructure and Operations Advisory Commission to set policy goals and recommendations for the future of this vital regional and national transportation network that serves the Northeast and national

economy. We urge timely action by your Administration to implement the Passenger Rail Investment and Improvement Act, particularly the creation of the Northeast Corridor Infrastructure and Operations Advisory Commission. The deliberations of this Commission will be critical for maximizing the economic growth and environmental utility of the NEC, and for the mutual cooperation and planning by the NEC States, Amtrak and U.S. Department of Transportation (U.S. DOT) for intercity, commuter and freight use of the Corridor. The Northeast Governors stand ready to name our representatives to the Commission, and request high-level participation from the U.S. DOT, as well as staff support.

The CONEG Governors look forward to working with you and your transition team to ensure that a well-functioning transportation system is a vital tool for achieving the nation's economic recovery and for meeting our shared energy and environmental goals.

Sincerely,

/o.s./
Jim Douglas
Chair
Governor of Vermont

/o.s./
David A. Paterson
Vice-chair
Governor of New York

/o.s./
Jon S. Corzine
Lead Governor for Transportation
Governor of New Jersey

cc: John Podesta, Obama Transition Team
U.S. DOT Transition Team: Mort Downey, Jane Garvey and Michael Huerta