

December 5, 2008

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
H-232 The Capitol
Washington, DC 20515

The Honorable John Boehner
Minority Leader
United States House of Representatives
H-204 The Capitol
Washington, DC 20515

Dear Madam Speaker and Minority Leader Boehner:

For over 30 years, the Coalition of Northeastern Governors (CONEG) has worked to encourage non-partisan cooperation among the Northeast states and with the U.S Congress on issues that affect the economic, social, energy and environmental well-being of the Northeast states and the nation. As you and your colleagues prepare for the 111th Congress, CONEG is pleased to share with you several 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 and asset. Therefore, we urge the Congress to consider significant financial investment in transportation infrastructure as part of the strategy for economic recovery and for future appropriations. 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 Congressional 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 and FY2010 Appropriations

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. Therefore, we urge prompt action by the Congress on a final FY2009 spending bill.

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 appropriations. 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 appropriations, for funding of intercity passenger rail at the levels authorized in the newly enacted Passenger Rail Investment and Improvement Act of 2008 (PRIIA), particularly funding for Amtrak and state capital grants.

Provide Timely Appropriations for the New Northeast Corridor Infrastructure and Operations Advisory Commission

The PRIIA calls for the creation, by Spring 2009, of a Northeast Corridor (NEC) 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. 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 this important new federal-state partnership. We urge the Congress to provide appropriations to the Department of Transportation for the operations and staff support of the Commission in FY2009 and FY2010.

The CONEG Governors look forward to working with you and your colleagues 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./
James H. 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

Identical letters were also sent to Senate Leadership; to Leadership of both House and Senate Appropriations Committees, and Subcommittees on Transportation, Housing and Urban Development; Senate Commerce; House Transportation and Infrastructure, and Subcommittee on Railroads.