

September 16, 2014

Dear Senators and Representatives:

We, the undersigned organizations, support passage of a robust, long-term surface transportation bill before expiration of funding for the program in May 2015. We also strongly oppose “devolution” proposals such as the “Transportation Empowerment Act” (TEA). TEA is ill-conceived and by stripping away most federal funding for surface transportation projects, would virtually eliminate the federal government’s constitutionally mandated role in promoting interstate commerce. The bill reduces funding for the federal-aid highway program by more than 80 percent by 2019, from \$45 billion to less than \$8 billion, with no consideration of the impact on state and local governments or private industry. It would also eradicate the federal transit program, taking more than \$8 billion from state and local public transportation agencies, which rely on federal funds for more than 43 percent of their capital spending.

While TEA purports to retain a federal role in maintaining the Interstate System, according to the U.S. Department of Transportation (U.S. DOT), Interstates require at least \$17 billion in annual investment to simply maintain current levels of maintenance, and more than \$33 billion per year to improve system conditions. Furthermore, the National Highway System, which carries 55 percent of total vehicle miles traveled and 97 percent of truck miles, requires an annual investment of \$75 billion, according to U.S. DOT. TEA doesn’t “empower” states; it saddles them with 90 percent of the fiscal responsibility for supporting highways that, under the Constitution, the federal government has an obligation to help maintain. It would also have a devastating impact on public transportation systems that help to alleviate highway congestion, reduce emissions and provide critical transportation options to underserved populations.

Some federal rules arguably increase the cost of projects and slow construction, however, these challenges do not warrant putting the safety of motorists and the health of the nation’s economy at risk by decimating the primary funding program for our nation’s most critical infrastructure. In Moving Ahead for Progress in the 21st Century (MAP-21), Congress took bold steps to reform permitting and project delivery, reduce burdensome requirements, and consolidate the patchwork of over 100 different programs into a streamlined, logical structure. In reauthorizing MAP-21, we look forward to working with Congress to pass a bill that provides additional administrative and regulatory relief to recipients of federal-aid transportation revenue. The goal of MAP-21 reauthorization should be to make construction of highways and transit projects more efficient and cost effective. Emphasizing recently adopted performance standards will continue to ensure that resources are invested wisely.

Furthermore, it is critical to understand that devolution of the federal-aid program would not allow states to retain the revenue that is currently deposited in the Highway Trust Fund; under devolution this money simply goes away, forcing state and local governments to replace tens of billions of dollars with tax increases or redirection of their existing resources. For example, if TEA passed and states replaced the lost revenue with an increase in their fuel taxes, on average their gas taxes would have to increase by 16 cents, and some states would have to raise their taxes by more than 30 cents. States and localities should be acting to increase user fees where necessary, but they should be doing so as a supplement to a strong federal commitment, not as an action to supplant dissolving funds.

Devolution represents abandonment by Congress of its constitutional obligation to promote interstate commerce and would prove disastrous to state and local governments’ ability to maintain and improve

their transportation systems when it is widely acknowledged that current resources are seriously insufficient. This is particularly true for those states with lesser populations, more rural landscapes and an extensive highway network that supports a large share of interstate traffic. Furthermore, devolution could weaken our nation's ability to quickly respond to foreign and domestic defense, emergency and security needs. As President Eisenhower said at the dawn of the Interstate era, a modern network of roads is "as necessary to defense as it is to our national economy and personal safety."

Devolution proposals are not a solution to the long-term infrastructure funding question, but rather serve as a distraction from the debate about how best to fund our nation's infrastructure. Congress must act now to avoid prolonging the ongoing funding crisis that is the result of failure to provide long-term, stable funding for transportation. We urge you to oppose devolution of the surface transportation program and refrain from cosponsoring TEA or other similarly misguided legislation. We request that you instead work toward a reformed surface transportation bill with the goal of passing long-term legislation before expiration of MAP-21 in May.

Sincerely,

AAA

American Association of State Highway and Transportation Officials

American Concrete Pavement Association

American Highway Users Alliance

American Road and Transportation Builders Association

American Society of Civil Engineers

American Trucking Associations

Associated Equipment Distributors

Associated General Contractors of America

Association of Equipment Manufacturers

Concrete Reinforcing Steel Institute

National Asphalt Pavement Association

National Ready Mixed Concrete Association

National Stone, Sand & Gravel Association

National Utility Contractors Association

Portland Cement Association

U.S. Chamber of Commerce