

November 20, 2013

The Honorable Paul D. Ryan
Chairman
Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

The Honorable Patty Murray
Chairman
Senate Committee on the Budget
U.S. Senate
Washington, DC 20510

Dear Chairmen Ryan and Murray:

We are writing in regards to the House and Senate Budget Conference Committee. The undersigned organizations urge conferees to address the very serious financial situation of the Highway Trust Fund (HTF).

Remarkable progress was made in 2012 through Moving Ahead for Progress in the 21st Century (MAP-21) to reform and streamline the federal highway and transit programs while providing stable funding through fiscal year 2014. Unfortunately, MAP-21 did not provide for the long-term financial stability of the HTF. As a result, according to the Congressional Budget Office, the HTF will completely exhaust its cash balance sometime in Fiscal Year 2015, necessitating steep cuts in highway and transit spending unless new revenues are provided. If Congress were to maintain the federal surface transportation program investment at current levels, the Highway Trust Fund would need an additional \$150 billion in revenue through 2024.

As the budget conferees debate a fiscal path for 2014 and beyond, we urge the inclusion of stabilizing the HTF as part of that discussion. The administration's budget proposal and the budget resolutions in the House of Representatives and Senate assume full funding for HTF programs in fiscal year 2014 and recognize the funding challenges following the expiration of MAP-21, with the administration and Senate providing a reserve fund that allows for increased transportation spending. It is disappointing that none of the budgets offer an adequate proposal to address the long-term structural problems of the HTF. We recognize the economic and budgetary challenges our country faces; however, by returning the HTF to a user-supported revenue system with predictable, sustainable and growing revenue sources, Congress and the administration could reduce budget deficits by approximately \$150 billion during the period from 2015-2024, or about \$15 billion per year.

The federal government has a fundamental role to play in investing in the nation's highway and transit system to serve passenger travel, interstate commerce and national defense. Unlike most other government programs, the HTF programs historically have been funded entirely by fuel taxes and truck fees paid by those who use and benefit from our national highway system. However, the user fees, which were last increased in 1993, continue to be insufficient to meet the nation's needs. We hope you will make a distinction between general taxes and user fees paid by the direct beneficiaries of the program in considering solutions to the HTF funding crisis.

A long-term solution to the HTF's revenue challenge would boost the economy while reducing the deficit. Putting the HTF on sound financial footing is not only fiscally responsible, but the combination of this new stability with MAP-21's policy reforms would maximize the impact of federal surface transportation investments to facilitate economic growth and job creation.

We encourage conferees to work with the administration and members of Congress in both parties on this matter, explore all options, build a consensus, and then take decisive action to address the financial future of the HTF. Our organizations stand together to support you in that effort.

Sincerely,

Associated General Contractors of America
American Trucking Associations
American Association of State Highway and Transportation Officials
American Road and Transportation Builders
Agricultural & Food Transporters Conference
American Association of Exporters and Importers
American Concrete Pavement Association
American Council of Engineering Companies
American Highways Users Alliance
American Moving & Storage Association
American Public Transportation Association
American Society of Civil Engineers
American Traffic Safety Services Association
Associated Equipment Distributors
Associated Equipment Manufacturers
Building America's Future
Concrete Reinforcing Steel Institute
Institute of Makers of Explosives
International Warehouse Logistics Association
National Asphalt Pavement Association
National Private Truck Council
National Industrial Transportation League
National Stone, Sand & Gravel Association
National Tank Truck Carriers
Owner-Operator Independent Drivers Association
Portland Cement Association
National Ready Mixed Concrete Association
Steel Manufacturers Association
Transportation Intermediaries Association