July 26, 2013

The Honorable Max Baucus  
Chairman  
Senate Finance Committee  
Washington, D.C. 20510

The Honorable Dave Camp  
Chairman  
House Ways & Means Committee  
Washington, D.C. 20515

The Honorable Orrin Hatch  
Ranking Republican  
Senate Finance Committee  
Washington, D.C. 20510

The Honorable Sander Levin  
Ranking Democrat  
House Ways & Means Committee  
Washington, D.C. 20515

Dear Chairmen Baucus and Camp, Senator Hatch, and Rep. Levin:

The 29 national associations and construction trade unions of the Transportation Construction Coalition (TCC) commend you for your efforts to address the nation’s near and long-term fiscal challenges in a manner that promotes long-term economic growth. As you continue the tax reform process, we urge you take this opportunity to assure the U.S. surface transportation network can accommodate the growing needs of American businesses and our economy.

The linkage between U.S. economic competitiveness and the performance of the nation’s transportation infrastructure network is undeniable. More than 70.9 million American jobs in just tourism, manufacturing, transportation and warehousing, agriculture and forestry, general construction, mining, retailing and wholesaling alone are dependent on the nation’s transportation system. The U.S. transportation infrastructure network also makes possible the shipment each year of over 16.4 million tons of goods and materials between American companies or companies and their customers.

While the enactment of last year’s Moving Ahead for Progress in the 21st Century Act (MAP-21) stabilized federal surface transportation investment in the short-term, Highway Trust Fund revenues will again be unable to support current investment levels beyond FY 2014. The Congressional Budget Office (CBO) testified July 23 that, absent remedial action, FY 2015 federal highway and transit investment would have to be completely eliminated. Since 2008, the trust fund has suffered four separate insolvency crises. This continuing dilemma should surprise no one as the trust fund’s revenue base has not been adjusted in 20 years.

The MAP-21 debate clearly demonstrated proposals to cut federal investment to levels that could be supported by current trust fund revenues or devolve the transportation programs to the states are overwhelmingly opposed in both chambers. That leaves two potential courses of action: generating new or additional trust fund revenues; or utilize general fund resources and, in so doing, contribute to the deficit. According to CBO, the trust fund requires roughly $15 billion per year in additional resources whether through new revenues or general fund transfers to maintain existing investment levels.

Linking financial support for system upkeep and improvement to those who benefit from use of the system has been an effective and fair principle for funding the federal highway and public transportation programs for over 60 years. This approach is the
essence of fiscal responsibility. Shifting this responsibility to the general fund at a time of unprecedented pressure on all federal resources would be unsound in terms of both a fiscal and transportation policy.

Independent Commissions and stakeholder groups have identified a series of potential sources for additional trust fund revenues. While we are certainly willing to consider any all prospective revenue solutions, the goal of these discussions must be to provide, at a minimum, the $15 billion per year the CBO says is necessary to preserve existing investment levels.

A long-term, growth-supporting revenue solution for the Highway Trust Fund would achieve many of the economic and fiscal objectives of both parties. We urge you to make addressing the Highway Trust Fund’s revenue shortfall a key priority for any tax reform package.

Sincerely,

The Transportation Construction Coalition