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April 23, 2009

Dear House/Senate Budget Committee Member:

The 28 national associations and labor unions of the Transportation Construction Coalition applaud the House and Senate versions of the FY 2010 budget resolution for including several important transportation policies. As the budget conference negotiations continue, we urge you to support the strongest investment baseline possible for the reauthorization of the federal surface transportation program.

Both the House and Senate versions of the budget include “reserve funds” that will allow the budget’s highway and transit investment assumptions to be increased if new Highway Trust Fund revenues are generated before or during the surface transportation reauthorization bill. These mechanisms would provide Congress the ability to engage in a merit-based debate over funding levels in the next highway/public transportation bill. To that end, we support the House reserve fund approach, which is more flexible than the Senate version. The budget proposals also reject an attempt to eliminate the use of “contract authority” for the federal transportation programs. The highway, transit and aviation programs are distinct situations where dedicated user fees generate revenues for autonomous trust funds to support transportation improvements. As such, their unique budgetary treatment is warranted and should be retained.

The House and Senate budgets, however, contain substantially different baseline assumptions for highway contract authority from FY 2010 to FY 2014. The 2005 surface transportation bill (SAFETEA-LU) requires a one-time \$8.65 billion rescission of contract authority at the end of FY 2009 and there was a \$3.1 billion highway contract authority rescission in the FY 2009 final appropriations bill. The Senate budget resolution projects these rescissions will reoccur annually and, therefore, assumes a level of contract authority significantly less than the House counterpart. The House budget, on the other hand, appropriately treats the FY 2009 rescissions as one-time incidents.

While we recognize the Senate budget is following traditional scoring practices, projecting the continuation of highway contract authority rescissions at the level in the Senate budget would artificially lower the highway contract authority baseline. In fact, the Senate contract authority assumptions could not maintain current levels of highway, transit and airport investment. The House adjustments to the highway contract authority baseline, on the other hand, would provide a stable foundation from which to begin the surface transportation reauthorization debate.

The members of the Transportation Construction Coalition urge you to support the House budget resolutions contract authority assumptions and inclusion of a surface transportation reserve fund in the FY 2010 budget conference report.

Sincerely,

The Transportation Construction Coalition