

January 21, 2009

The Honorable Barbara Boxer  
Chairwoman, U.S. Senate Committee on Environment & Public Works  
112 Hart Senate Office Building  
Washington, D.C. 20510

Dear Chairwoman Boxer:

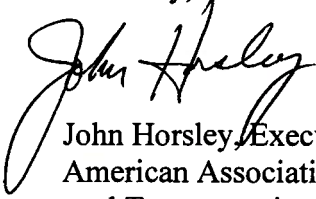
The American Association of State Highway and Transportation Officials (AASHTO) which represents the state departments of transportation for all fifty States, the District of Columbia and Puerto Rico, and our colleagues in the transportation construction industry and labor are deeply concerned with the report issued by the Congressional Budget Office (CBO) concerning the spend out rates for transportation investment expected for the Economic Recovery Program. We note that the report specifically addresses the infrastructure programs for the U.S. Department of Transportation stating that only 14.6 percent of funding will enter the economy by September, 2010.

**We take strong exception to this analysis.** As we understand it, CBO assumes the usual spend-out rates in the first year of the bill and also assumes that much of the money will be reprogrammed after the 120 day initial obligation period, further slowing the funding entering the economy. As recent as Friday, January 16<sup>th</sup>, the states have been questioned on whether they could have fifty percent of the \$30 billion in the bill for highways under contract within 120 days, as required in the House legislation. Their overwhelming response was “yes we can!”

**This is not business as usual!** The State DOTs, the construction industry, materials suppliers and labor are geared to move “ready to go” projects quickly to contract and construction and thus create thousands of jobs in this fiscal year. A survey conducted by AASHTO documented over 5,000 projects valued \$64 billion that could be obligated in 180 days. Since December, 2008, AASHTO and State DOTs have been working hand in glove with the U.S. Federal Highway Administration to identify techniques that will enable us to expedite the federal contracting process and have these projects under contract even faster. Back home, State DOTs, the construction industry, suppliers and construction unions are working on similar techniques that will enable them to quickly respond and get projects underway shortly after Economic Recovery legislation is enacted. Together we are doing everything possible to have thousands of projects indeed, “ready to go.” These, in turn, will create or save hundreds of thousands of jobs.

We have great respect for CBO, but just as they were far off with their estimates for the Highway Trust Fund because they clearly underestimated the speed of outlays for highway projects, we believe that they are again failing to recognize that States and the Federal government are not acting in a business as usual fashion. That said, the States are ready to move. All we need now is the green light to proceed.

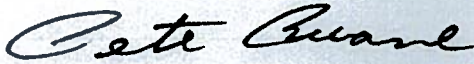
Sincerely,



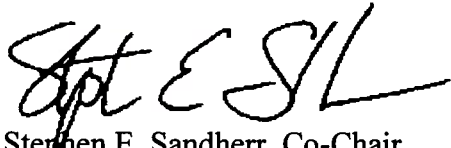
John Horsley, Executive Director  
American Association of State Highway  
and Transportation Officials



Janet Kavinsky, Executive Director  
Americans for Transportation Mobility



T. Peter Ruane, Co-Chair  
Transportation Construction Coalition



Stephen E. Sandherr, Co-Chair  
Transportation Construction Coalition