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March 11, 2015

Dear Chairman Price and Ranking Member Van Hollen:

We are writing to request that you address the very serious financial situation of the Highway Trust Fund (HTF) as you put together the fiscal year 2016 budget resolution.

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, in July of last year Congress provided a short-term extension of MAP-21 along with a \$10.7 billion infusion to the Highway Trust Fund. The extension and the cash infusion only delayed the inevitable insolvency of the HTF, a fact affirmed by the Congressional Budget Office (CBO), which is now forecasting a HTF revenue shortfall later this summer that would require a slowdown in reimbursements to all state transportation departments for federal-aid improvement projects already underway unless additional revenues are provided. Furthermore, the trust fund will be unable to meet its obligations in September, necessitating steep cuts in highway and transit spending unless new revenues are provided. As you know, CBO stated that if Congress were simply trying to maintain the Federal surface transportation program investment at current nominal levels, and the Highway Trust Fund will need an additional \$168 billion in revenue through 2025.

As you prepare to take action on this year's budget resolution, we urge that stabilizing the HTF be a significant part of that discussion. Further, we would ask for the budget resolution to assume at least current year investment levels for all HTF programs in fiscal year 2016 and recognize the funding challenges following the expiration of the current extension by providing a reserve fund that allows for increased transportation spending if new trust fund revenues are generated. We recognize the economic and budgetary challenges our country faces; however, it is imperative that Congress return the HTF to a user-supported revenue system with predictable, sustainable and growing revenue sources.

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 user fees paid by the drivers of cars and trucks that use the system. As you know however, the user fees were last increased in 1993 so they have not kept pace with inflation. We hope Congress will take a long look at adjusting the user fees and put the program on sound fiscal footing once again.

We encourage the both parties to work together on this matter, explore all options, build a consensus, and then take decisive action to address the financial future of the HTF. This year's budget resolution is a good place to start. Our organizations stand together to support you in that effort.

Sincerely,

The Transportation Construction Coalition

