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July 7, 2016

The Honorable Kevin Brady
Chairman
Ways & Means Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Brady:

The 31 national association and construction trade union members of the Transportation Construction Coalition remain highly engaged in efforts to enact a permanent solution for the Highway Trust Fund's (HTF) structural revenue deficit. While we were greatly pleased to see 130 bipartisan House members urge you to make permanently stabilizing the HTF a priority for any tax reform proposal, we were disappointed to see addressing this critical issue was not included in the plan you released June 24.

All adjustments to the HTF's revenue stream in the past thirty years have occurred as part of a broad tax or budget package. Generating permanent trust fund revenues outside of surface transportation program reauthorization legislation ensures federal tax policy is made in a holistic manner that considers the impacts on both individuals and the overall economy. Furthermore, tax reform and other comprehensive fiscal packages provide lawmakers flexibility to achieve budgetary scoring objectives as they often include both revenue generating and reducing provisions. Previous Ways and Means Committee chairmen recognized that a tax reform package is a logical vehicle for addressing the HTF's revenue shortfall.

The \$70 billion transferred into the HTF as part of the 2015 surface transportation program reauthorization will be liquidated in FY 2020. Waiting until that point to address the trust fund's revenue shortfall would result in a nearly \$18 billion average annual shortfall between existing revenue and the amount needed to prevent cuts in highway and public transportation spending.

Failure to address the HTF's revenue shortfall as part of a comprehensive measure would increase the likelihood of Congress again shifting funds from elsewhere in the budget—at the expense of other economic sectors—to support another in a long-string of one-time trust fund infusions. While such actions have temporarily stabilized highway and transit investment, they do not provide states the certainty needed to implement long-term transportation plans. Equally problematic, these legislative band aids pass the HTF problem off to another Congress at an increased price tag.

A permanent, 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 as your committee continues to move forward with the tax reform process.

Sincerely,

The Transportation Construction Coalition