



**TRANSPORTATION
CONSTRUCTION
COALITION**

**We're Building A
Better America!**

American Road & Transportation Builders Association (co-chair) ■
Associated General Contractors of America (co-chair) ■
American Coal Ash Association ■ American Concrete Pavement Association ■ American Concrete Pipe Association ■ American Council of Engineering Companies ■ American Subcontractors Association ■ American Iron and Steel Institute ■ American Society of Civil Engineers ■ American Traffic Safety Services Association ■ Asphalt Emulsion Manufacturers Association ■ Asphalt Recycling & Reclaiming Association ■ Associated Equipment Distributors ■ Association of Equipment Manufacturers ■ Concrete Reinforcing Steel Institute ■ International Slurry Surfacing Association ■ International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers ■ International Union of Operating Engineers ■ Laborers-Employers Cooperation and Education Trust ■ Laborers' International Union of North America ■ National Asphalt Pavement Association ■ National Association of Surety Bond Producers ■ National Electrical Contractors Association ■ National Ready Mixed Concrete Association ■ National Steel Bridge Alliance ■ National Stone, Sand and Gravel Association ■ National Utility Contractors Association ■ Portland Cement Association ■ Precast/Prestressed Concrete Institute ■ The Road Information Program ■ United Brotherhood of Carpenters and Joiners of America

**For More Information:
202/289-4434 (ARTBA)
703/548-3118 (AGC)**

October 18, 2017

Dear Senator:

At a time when Congress and the Trump Administration are focusing on economic growth and upgrading the nation's infrastructure network, the FY 2018 Senate budget resolution shows dramatic future reductions in surface transportation investment. Despite consistent, bipartisan support in the Senate to preserve Highway Trust Fund (HTF)-supported spending since the fund's revenue crises began in 2008, the budget would limit highway and transit investment to the inadequate revenue levels currently flowing into the trust fund, a policy that would impose dramatic cuts to your state's transportation program.

Specifically, the resolution approved by the Senate Budget Committee assumes a \$51 billion drop in Function 400 (Transportation) mandatory budget authority in FY 2021. While this spending category would rebound somewhat in FY 2022 and beyond, it would still be at levels roughly \$20 billion a year below what is projected in FY 2020.

Due to inaction on the HTF's permanent revenue shortfall, the 2015 "Fixing America's Surface Transportation (FAST) Act" surface transportation reauthorization law supports its modest highway and transit authorization levels through a combination of existing trust fund revenues and \$70 billion in transfers. The projected depletion of the supplemental resources by FY 2020 makes it clear that HTF supported spending constitutes the vast majority of the dramatic decline in mandatory transportation spending.

The FY 2018 budget resolution is a poignant reminder of the need to enact a permanent HTF revenue solution as soon as possible. Waiting until the FAST Act's scheduled reauthorization in FY 2020 would result in a nearly \$20 billion average annual shortfall that must be filled to prevent cuts in highway and public transportation spending. Furthermore, past experience demonstrates that putting off this situation increases the likelihood of Congress again shifting funds from elsewhere in the budget—at the expense of other economic sectors.

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.

Dramatic cuts in trust fund-supported highway and transit investment are inconsistent with President Trump's call to upgrade the nation's infrastructure network and would severely dilute an infrastructure initiative. Fortunately, the budget resolution includes a reserve fund that would ensure its spending assumptions would be adjusted to reflect any new HTF revenue generated by subsequent legislation.

A permanent, growth-supporting revenue solution for the HTF would achieve many of the economic and fiscal objectives of both parties. We urge you to make addressing this key priority a component of any tax reform package.

Sincerely,

The Transportation Construction Coalition