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April 15, 2020

The Honorable Mitch McConnell
United States Senate
Washington, D.C. 20510

The Honorable Chuck Schumer
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
United States House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
United States House of Representatives
Washington, D.C. 20515

RE: Support Immediate Funding to State Depts. of Transportation in COVID-19 Rescue Legislation

Dear Majority Leader McConnell, Speaker Pelosi, and Minority Leaders Schumer and McCarthy:

The Associated General Contractors (AGC) of America and its more than 27,000 member firms appreciate your ongoing efforts to address the novel coronavirus (COVID-19) pandemic. Due to the unprecedented impact on and uncertainty this pandemic created for the transportation construction industry, **we strongly urge Congress to provide state departments of transportation (DOTs) with an immediate infusion of at least \$49.95 billion**—as identified by the American Association of State Highway and Transportation Officials—to backstop projected state revenue shortfalls in future pandemic legislation.

The transportation construction industry plays a critical role in supporting the nation's economic strength by building transportation projects that facilitate the movement of commerce and people, increasing the tax base, and supporting thousands of well-paying middle-class jobs. The pandemic has highlighted and reinforced that a safe, efficient, and reliable transportation system is vital to expeditiously delivering raw materials, goods, and services needed by first responder and healthcare operations, businesses, and the American people during any national emergency. It has also demonstrated that construction workers who build and maintain this system are an essential part of our ability to respond to a national emergency.

The COVID-19 pandemic is having unprecedented impacts on the U.S. economy and the American people. Currently, state projections are showing significant declines in transportation revenue as a result of a **50 percent vehicle traffic decline** and, in certain states, **toll road traffic down 67 percent**. Specific impacts include **individual state transportation revenue losses as high as 45 percent** in the next 18 months. That is why **39 percent of state DOTs have recently indicated that federal funding is needed right now** to address this shortfall, not in a few weeks or months.

State transportation revenue is critical to many state DOT functions including capital and construction programs, routine operations and maintenance activities, and administrative expenses. AGC is particularly concerned about the adverse impact lost revenue will have on transportation projects in the near-term. Some **DOTs are delaying transportation projects** that were previously set to move forward. As examples:

- North Carolina DOT reduced proposed construction projects from 131 to 38 for the upcoming budget year, a \$2 billion reduction;
- Ohio DOT delayed two major interstate construction projects for the upcoming fiscal year; and
- Missouri postponed 18 road and bridge projects, with as many as 299 additional projects, valued at \$785 million, at risk without federal assistance.

Without congressional action, AGC is concerned that additional projects will be delayed or cancelled, which may undermine the transportation construction industry's ability to retain its current workforce and grow that workforce when our nation works toward economic recovery. Providing state DOTs with an immediate infusion of federal funding to backstop lost state transportation revenue will help enable the advancement of planned transportation projects in the near-term, allow state DOT employees essential to planning and delivering projects to remain on the job, and safeguard the transportation construction workforce now and in the future.

Again, AGC appreciates your effort in addressing the COVID-19 pandemic and your consideration of this request.

Sincerely,

A handwritten signature in black ink, reading "James V. Christianson". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

James V. Christianson
Vice President, Government Relations

Cc: All members of the U.S. Senate and U.S. House of Representatives