

United States Senate

WASHINGTON, DC 20510

June 16, 2020

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

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Leader McConnell and Minority Leader Schumer,

Thank you for your continued efforts in responding to the ongoing COVID-19 pandemic and leading the nation in safely reopening the economy. We write today regarding the unprecedented burden the pandemic has placed on state transportation revenues. As millions of Americans have heeded the recommendations of state and local officials to stay home, roads across the nation are now desolate and sources of revenue for state transportation departments to repair and renew critical infrastructure have been drastically reduced. According to the American Association of State Highway and Transportation Officials, over the next 18 months highway revenues will be reduced by 30% causing many state transportation departments to face hundreds of millions of dollars in shortfalls by the end of their respective fiscal years this summer.

It is becoming clear that a federal backstop on state highway revenue, which is independent of other state monies for most state transportation departments, will be necessary to ensure there are no disruptions to maintenance projects or delays to much-needed highway projects necessary to facilitate economic recovery. Without federal money, thousands of construction workers will be furloughed and many highway contractors and materials suppliers may be forced to cease operations, in some cases permanently. We believe that the most effective and equitable way to distribute funding for lost revenue is to allocate funds based on each individual state's dedicated non-federal highway tax revenue. According to an analysis by the Eno Center for Transportation, in 2018 a total of \$182.6 billion in revenue was used by state transportation departments on highway projects. Of that amount, 59.5% or \$108 billion was revenue raised by states and was not derived from a federal source or bond proceeds, making these funds dedicated non-federal highway tax revenues for this purpose.

It is important to note the pandemic has not impacted federal grants authorized under the FAST Act. Funds under the Act continue to flow to the states which is why disbursing additional money through the existing highway formula will not address the revenue shortfall facing many states. Additionally, states differ significantly on how they choose to fund highway programs and it is because of these variances that federal aid to replace lost revenue should be calculated based on state-by-state non-federal revenue rather than based on the current highway formula.

We appreciate your attention to this important matter and look forward to working in a bipartisan manner to assist our states.

Sincerely,



Richard Burr
United States Senator



Kirsten Gillibrand
United States Senator

\s\ Thom Tillis
Thom Tillis
United States Senator

\s\ Angus S. King Jr.
Angus S. King, Jr.
United States Senator

\s\ Edward J. Markey
Edward J. Markey
United States Senator

\s\ Thomas R. Carper
Thomas R. Carper
United States Senator

\s\ Benjamin L. Cardin
Benjamin L. Cardin
United States Senator

\s\ Elizabeth Warren
Elizabeth Warren
United States Senator

\s\ Michael F. Bennet
Michael F. Bennet
United States Senator

\s\ Chris Van Hollen
Chris Van Hollen
United States Senator

\s\ Ron Wyden
Ron Wyden
United States Senator

\s\ Kamala D. Harris
Kamala D. Harris
United States Senator

\s\ Mark R. Warner
Mark R. Warner
United States Senator

\s\ Christopher A. Coons
Christopher A. Coons
United States Senator

\s\ Tim Kaine
Tim Kaine
United States Senator

\s\ Robert Menendez
Robert Menendez
United States Senator

\s\ [Faint Name]
[Faint Name]
[Faint Title]

\s\ Cory Gardner
Cory Gardner
United States Senator