

August 8, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20510

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader
U.S. Senate
Washington, D.C. 20515

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

We are grateful for your continued leadership to provide stability and relief to the transportation industry and the broader U.S. economy as the country faces unprecedented impacts from the COVID-19 pandemic. As you continue to negotiate the next COVID-19 relief legislation, we, the undersigned organizations, urge you to: **provide an immediate infusion of \$37 billion in federal funding for state departments of transportation (DOTs) and oppose any proposal to temporarily suspend or permanently repeal a dedicated federal user fee that generates revenue to support surface transportation improvements.**

With millions of Americans following “stay-at-home” orders, many state DOTs are facing severe losses in dedicated user fee revenues on which state transportation programs heavily rely. As a result, the ability of state DOTs to carry out their core functions, including capital construction programs, is threatened. Since the beginning of the pandemic, many state DOTs have imposed furloughs and delayed or cancelled \$10 billion in critical transportation projects. The American Association of State Highway and Transportation Officials estimates state transportation revenue losses of \$37 billion over five years (through FY 2024), with an estimated loss of \$16 billion in FY 2020. An infusion of federal funding for state DOTs to address the revenue shortfall will prevent further disruptions to planned transportation projects and allow state DOT employees and transportation construction workers essential to planning and delivering these projects to remain on the job.

The pandemic has similarly affected the dedicated federal user fees that generate revenue for the Highway Trust Fund (HTF). For example, HTF Highway Account revenue declined by 46 percent for the second half of April when compared to the same period in 2019, according to the Federal Highway Administration (FHWA). FHWA estimates that the HTF will now become insolvent sooner than previously anticipated. Furthermore, since 2008, Congress has relied on more than \$140 billion in transfers from the General Fund of the U.S. Treasury to shore up the

HTF and preserve existing transportation investment levels. We support new and creative ways to generate additional dedicated, user-fee based revenue streams for the HTF. Any proposal to suspend or repeal a current HTF user fee without an equivalent replacement would further exacerbate the impending insolvency of the HTF and make finding the federal resources to support the Senate and House surface transportation reauthorization proposals even more difficult. Whether it is in the short or long term, upgrading highway, bridge, and public transportation systems requires resources, and less revenue means fewer improvements.

In conclusion, we urge you to reject any effort to suspend or repeal these user fees and provide immediate funding to state DOTs.

Sincerely,

American Association of State Highway and Transportation Officials
American Concrete Pipe Association
American Council of Engineering Companies
American Road & Transportation Builders Association
American Society of Civil Engineers
American Traffic Safety Services Association
Associated General Contractors of America
International Association of Bridge, Structural, Ornamental, and Reinforcing Iron Workers
International Union of Operating Engineers
Laborers International Union of North America
National Asphalt Pavement Association
National Stone, Sand and Gravel Association
Portland Cement Association
The Surety & Fidelity Association of America