U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

James L. Oberstar
Chairman

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John L. Mica
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January 17, 2007

The Honorable David R. Obey
Chairman
Committee on Appropriations
H-218, The Capitol
Washington, D.C. 20515

The Honorable Jerry Lewis
Ranking Member
Committee on Appropriations
H-218, The Capitol
Washington, D.C. 20515

Dear Mr. Chairman and Mr. Ranking Member:

As Members of the Committee on Transportation and Infrastructure, we write to urge you to ensure that H.J. Res. __, the full-year Continuing Resolution (CR) for Fiscal Year (FY) 2007, provides the FY 2007 Federal highway, transit, and highway safety funding levels guaranteed in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). ***If H.J. Res. 102, the current Continuing Resolution, is not adjusted, SAFETEA-LU's highway, transit, and highway safety investment will be cut by $4 billion, costing our economy approximately 192,000 family-wage construction jobs.*** Given the unique nature of these Highway Trust Fund programs, the CR can provide this guaranteed FY 2007 funding (obligation limitations) without impacting other programs that must be funded under the discretionary budget authority cap set by last year's Budget Resolution.

The FY 2007 SAFETEA-LU funding level reflects the bipartisan agreement reached in 2005 after a long and difficult effort to reauthorize surface transportation programs in a way that would begin to meet our nation's transportation infrastructure needs, and address the equity concerns among States. Most recently, this SAFETEA-LU funding level was reconfirmed in H. Con. Res. 376, the FY 2007 Budget Resolution, and H.R. 5576, the FY2007 Transportation, Treasury, Housing and Urban Development (TTHUD) Appropriations bill, as passed by the House last year, both of which provided the SAFETEA-LU funding levels.

Under the current Continuing Resolution, the SAFETEA-LU programs are being funded at the level of the obligation limitations that were included in the FY 2006 TTHUD Appropriations Act. ***Compared to SAFETEA-LU, a full-year CR for FY 2007 that is calculated in this manner would cut $4 billion from SAFETEA-LU infrastructure investment programs, including $3.532 billion from highways, $480 million from transit, and $30 million from motor carrier safety programs.***

SAFETEA-LU programs are unique. They are funded by highway user revenues that have been deposited into the Highway Trust Fund, and held in trust for the purpose of meeting our surface transportation infrastructure needs. In recognition of the dedicated revenue stream that funds these programs, the Transportation Equity Act for the 21st Century established separate highway and transit budget categories in the Balanced Budget and Emergency Deficit Control Act to ensure the expenditure of these highway user revenues for their intended purposes. These separate budget categories were created in 1998 and Congress recently reauthorized these separate categories for fiscal years 2004 through 2009. If a full-year CR prevents the expenditure of the funds set aside in these separate categories for FY 2007, it would be the first time in the last decade that the highway and transit funding guarantees have not been honored.

Because of the unique nature of the SAFETEA-LU programs, it is possible to accommodate the SAFETEA-LU guaranteed funding levels without impacting other programs or setting any precedent that would apply to other programs. We understand that the intent of the CR is to stay within the discretionary spending limits established in H. Con. Res. 376, the FY 2007 Budget Resolution. The constraining factor in meeting this goal will likely be the $873 billion discretionary budget authority cap set by that Resolution. Highway, transit, and highway safety funding in the CR are not covered by this cap. Therefore, the SAFETEA-LU funding guarantees can be honored without affecting other programs under the $873 billion discretionary budget authority cap. Given that the SAFETEA-LU funding is outside of the $873 billion discretionary budget cap, withholding these funds will not free up funds for any other programs.[1]

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[1] The budget authority (i.e., contract authority) for highway, transit, and highway safety programs is mandatory budget authority that is provided in SAFETEA-LU, not in the appropriations act. In addition, $1.712 billion of General Fund discretionary budget authority is included in the SAFETEA-LU transit firewall for FY 2007. Although the outlays for these programs are discretionary, the discretionary outlays associated with SAFETEA-LU funding have been specifically set aside in the Balanced Budget and Emergency Deficit Control Act for the sole use of SAFETEA-LU programs. H. Con. Res. 376, the FY 2007 Budget Resolution, assumes these outlays will be allocated to SAFETEA-LU programs as provided by the Act.

The FY 2007 SAFETEA-LU funding level is essential to meeting our nation's surface transportation infrastructure needs, which are reaching crisis proportions. Congestion has worsened dramatically in recent years. In 2003, traffic congestion cost motorists $63.1 billion in terms of wasted time and fuel. In addition, more than 43,000 people were killed on our nation's highways in 2005, and many of those fatalities were due to substandard road conditions and roadside hazards.

In addition to meeting infrastructure investment needs and lessening the burden congestion imposes on our economy, the SAFETEA-LU funding is critically important to our nation's job creation. Cutting the SAFETEA-LU highway and transit funding will cost 192,000 family-wage construction jobs. With respect to highway infrastructure investment, the enclosed state-by-state table shows what is at stake, in terms of both funding and jobs, if the SAFETEA-LU guaranteed funding level is not provided in FY 2007.

Thank you for your consideration of this important issue.

Sincerely,

James L. Oberstar, M.C.
Chairman

John L. Mica, M.C.
Ranking Member

Peter A. DeFazio, M.C.
Chairman
Subcommittee on Highways and Transit

John J. Duncan, Jr., M.C.
Ranking Member
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Timothy H. Bishop

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Russ Carnahan

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Mary Fallin

Heath Shuler

Vern Buchanan

Michael A. Arcuri

Harry E. Mitchell

Christopher P. Carney

John J. Hall

Steve Kagen

Steve Cohen

Jerry McNerney

Enclosure

cc: The Honorable Nancy Pelosi, Speaker
The Honorable Steny H. Hoyer, Majority Leader
The Honorable John A. Boehner, Minority Leader

Comparison of Distribution of FY 2007 Highway Funding Under SAFETEA-LU and Full-Year Continuing Resolution*

State	FY 2007 SAFETEA-LU	FY 2007 Full-Year Continuing Resolution	Federal-Aid Highway Funding Cut	Job Losses
Alabama	602,756,428	548,699,954	-54,056,474	-2,568
Alaska	271,516,574	250,266,768	-21,249,806	-1,009
Arizona	594,884,593	538,528,974	-56,355,619	-2,677
Arkansas	383,201,965	347,184,100	-36,017,865	-1,711
California	2,690,278,478	2,408,038,182	-282,240,296	-13,406
Colorado	401,918,196	360,141,090	-41,777,106	-1,984
Connecticut	403,476,795	366,382,281	-37,094,514	-1,762
Delaware	121,555,419	109,353,384	-12,202,035	-580
District of Columbia	124,611,407	111,043,293	-13,568,114	-644
Florida	1,548,948,445	1,406,290,504	-142,657,941	-6,776
Georgia	1,070,154,988	969,691,811	-100,463,177	-4,772
Hawaii	127,990,643	115,267,040	-12,723,603	-604
Idaho	223,536,189	203,333,283	-20,202,906	-960
Illinois	1,014,271,736	910,387,767	-103,883,969	-4,934
Indiana	777,525,119	704,288,252	-73,236,867	-3,479
Iowa	331,740,259	295,143,803	-36,596,456	-1,738
Kansas	310,777,162	278,297,493	-32,479,669	-1,543
Kentucky	520,862,459	472,046,550	-48,815,909	-2,319
Louisiana	476,512,248	428,615,786	-47,896,462	-2,275
Maine	137,212,545	122,527,132	-14,685,413	-698
Maryland	491,539,592	441,365,185	-50,174,407	-2,383
Massachusetts	503,525,655	451,909,116	-51,616,539	-2,452
Michigan	912,811,319	821,004,265	-91,807,054	-4,361
Minnesota	487,160,170	437,257,769	-49,902,401	-2,370
Mississippi	366,651,725	329,837,415	-36,814,310	-1,749
Missouri	713,629,291	645,399,673	-68,229,618	-3,241
Montana	288,286,999	262,635,121	-25,651,878	-1,218
Nebraska	224,662,182	201,576,731	-23,085,451	-1,097
Nevada	210,960,357	189,509,480	-21,450,877	-1,019
New Hampshire	138,189,314	124,655,305	-13,534,009	-643
New Jersey	824,666,702	742,676,203	-81,990,499	-3,895
New Mexico	291,158,608	263,313,362	-27,845,246	-1,323
New York	1,370,352,247	1,235,368,254	-134,983,993	-6,412
North Carolina	874,766,838	790,657,686	-84,109,152	-3,995
North Dakota	189,756,674	170,820,553	-18,936,121	-899
Ohio	1,113,163,851	1,003,336,242	-109,827,609	-5,217

State	FY 2007 SAFETEA-LU	FY 2007 Full-Year Continuing Resolution	Federal-Aid Highway Funding Cut	Job Losses
Oklahoma	464,482,032	417,430,679	-47,051,353	-2,235
Oregon	348,645,942	312,842,891	-35,803,051	-1,701
Pennsylvania	1,361,760,812	1,231,575,368	-130,185,444	-6,184
Rhode Island	155,167,862	138,243,095	-16,924,767	-804
South Carolina	512,751,337	463,551,501	-49,199,836	-2,337
South Dakota	203,532,685	183,777,294	-19,755,391	-938
Tennessee	674,784,561	608,526,292	-66,258,269	-3,147
Texas	2,581,640,867	2,336,793,323	-244,847,544	-11,630
Utah	219,807,514	198,304,703	-21,502,811	-1,021
Vermont	130,201,681	116,195,870	-14,005,811	-665
Virginia	833,270,298	752,517,077	-80,753,221	-3,836
Washington	521,349,252	464,963,105	-56,386,147	-2,678
West Virginia	326,629,939	297,110,356	-29,519,583	-1,402
Wisconsin	587,874,276	535,232,750	-52,641,526	-2,500
Wyoming	207,966,928	187,339,698	-20,627,230	-980
State Total	**30,264,879,159**	**27,301,253,809**	**-2,963,625,350**	**-140,772**
Allocated Programs	**8,821,585,524**	**8,249,534,225**	**-572,051,299**	**-27,172**
Grand Total	**39,086,464,683**	**35,550,788,034**	**-3,535,676,649**	**-167,945**

*Prepared by Transportation & Infrastructure Committee Staff based on information provided by the Federal Highway Administration (FHWA). Pursuant to FHWA estimates, the table assumes that $1 billion of federal highway program investment creates or sustains 47,500 jobs.