

Amalgamated Transit Union American - Association of State Highway and Transportation Officials - American Concrete Pavement Association - American Concrete Pressure Pipe Association - American Council of Engineering Companies - American Highway Users Alliance - American Moving & Storage Association - American Public Transportation Association - American Public Works Association - American Road & Transportation Builders Association - American Society of Civil Engineers - American Traffic Safety Services Association - American Trucking Associations - Associated Equipment Distributors - Associated General Contractors of America - Association for Commuter Transportation - Association of Equipment Manufacturers - Association of Metropolitan Planning Organizations - Community Transportation Association of America - International Union of Operating Engineers - Laborers' International Union of North America - National Asphalt Pavement Association - National Association of Development Organizations - National Ready Mixed Concrete Association - National Stone, Sand & Gravel Association - New Starts Working Group - Portland Cement Association - Transport Workers Union of America

May 18, 2010

The Honorable John Kerry
218 Russell Senate Office Building
Washington, DC 20510

The Honorable Joseph Lieberman
706 Hart Senate Office Building
Washington, DC 20510

Dear Senators Kerry and Lieberman:

We write to urge you to reconsider how revenue from transportation-based motor fuel fees is directed in the climate and energy legislation you have recently proposed. "The American Power Act" would impose new fees on surface transportation system use and dedicate the vast majority of resulting revenue to activities entirely unrelated to improving the nation's transportation infrastructure. This significantly undermines the user fee principal for financing federal transportation improvements that has served our nation and our economy well for more than 50 years.

Our organizations have grave concerns that this proposal would dilute the integrity of the Federal Highway Trust Fund and significantly harm efforts to rehabilitate and improve our nation's transportation infrastructure under a new surface transportation bill. The draft bill would also greatly impair the ability of states, counties, cities, and transit systems to reduce our dependence on foreign oil and reduce transportation-related emissions. We hope to work with you to develop a strategy that promotes energy independence, reduces greenhouse gas emissions, and improves the condition and capacity of critical transportation assets. In our collective judgment, the current bill does not achieve these objectives.

Our preliminary analysis of the bill finds that tens of billions of dollars would be generated annually from new pollution fees on transportation motor fuels. In 2013, fees from on-road fuel consumption would generate at least \$19.5 billion. Instead of returning revenue from these fees to improving the transportation system, the bill diverts at least 77 percent of the funds away from transportation infrastructure investment. As carbon prices increase, the bill diverts as much as 91 percent of fuel revenues. Of particular concern, the bill limits new investment in the Highway Trust Fund to \$2.5 billion per year, far below the amount the bill raises from system users.

As we have stated previously, a proposal that diverts user fees from motor fuels while our roads, bridges and transit systems are neglected is not sound policy. The Highway Trust Fund has repeatedly faced insolvency from the lack of new revenue in recent years, and the U.S. Department of Transportation estimates that our transportation infrastructure needs a \$30 billion increase in investment each year simply to be maintained. Even greater investment, at least \$100 billion more annually, is needed to improve conditions and performance.

Now is the time to create the transportation infrastructure of tomorrow with investments that will generate millions of American jobs. We hope to work with you to develop climate and energy legislation that benefits the environment, as well as our economy, our workers, and the surface transportation infrastructure on which we all rely.

Sincerely,

Amalgamated Transit Union (ATU)
American Association of State Highway and Transportation Officials (AASHTO)
American Concrete Pavement Association (ACPA)
American Concrete Pressure Pipe Association
American Council of Engineering Companies (ACEC)
American Highway Users Alliance
American Moving & Storage Association (AMSA)
American Public Transportation Association (APTA)
American Public Works Association (APWA)
American Road & Transportation Builders Association (ARTBA)
American Society of Civil Engineers (ASCE)
American Traffic Safety Services Association (ATSSA)
American Trucking Associations (ATA)
Associated Equipment Distributors (AED)
Associated General Contractors of America (AGC)
Association for Commuter Transportation (ACT)
Association of Equipment Manufacturers (AEM)
Association of Metropolitan Planning Organizations (AMPO)
Community Transportation Association of America (CTAA)
International Union of Operating Engineers (IUOE)
Laborers' International Union of North America (LIUNA!)
National Asphalt Pavement Association (NAPA)
National Association of Development Organizations (NADO)
National Ready Mixed Concrete Association (NRMCA)
National Stone, Sand & Gravel Association (NSSGA)
New Starts Working Group
Portland Cement Association (PCA)
Transport Workers Union of America (TWU)

Cc:

The Honorable Lindsey Graham
Majority Leader Harry Reid
Chairman Max Baucus
Chairman Barbara Boxer
Chairman Christopher Dodd
Ranking Member Chuck Grassley
Ranking Member James Inhofe
Ranking Member Richard Shelby



NATIONAL STONE, SAND & GRAVEL ASSOCIATION



Natural building blocks for quality of life

Laborers' International Union of North America



Feel the Power