



Midwestern Governors Association

June 26, 2008

The Honorable Max Baucus
Chair
Finance Committee
United States Senate
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member
Finance Committee
United States Senate
Washington, DC 20510

The Honorable Charles Rangel
Chair
Ways and Means Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Jim McCrery
Ranking Member
Ways and Means Committee
U.S. House of Representatives
Washington, DC 20515

Dear Senator Baucus, Senator Grassley, Congressman Rangel, and
Congressman McCrery:

As Governors of the Midwestern Governors Association (MGA), we want to call your attention to a very serious situation facing the nation's transportation system. The projected shortfall in the Highway Trust Fund (HTF) is a problem that demands immediate attention by Congress. We respectfully call on Congress to fix the HTF deficit before the start of Fiscal Year 2009.

The Administration estimated that the Highway Account of the Highway Trust Fund will incur a deficit of over \$3 billion in FY 2009, resulting in a \$13.5 billion, or 34 percent cut in the federal highway program. This deficit will occur at a time when the nation's transportation system is facing increased capacity and infrastructure challenges.

As the executives of our respective states, we recognize that you face a difficult challenge in fixing this fiscal shortfall. However, you must act now to fix the looming shortfall. As states begin to finalize their upcoming budgets, projects that hinge on federal dollars will need to be scaled back if the HTF shortfall is not corrected by the start of FY 2009. A solvent HTF is critical to meet current and future needs.

We look forward to being of any assistance we can as you discuss and consider the matter to fix the Highway Trust Fund. Please contact Emily Marthaler at 202-624-5460 or at emarthaler@csg.org if we can be of assistance.

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Sincerely,



M. Michael Rounds
Governor of South Dakota and Chair,
Midwestern Governors Association



Jennifer Granholm
Governor of Michigan and Vice Chair,
Midwestern Governors Association

cc: Midwestern Congressional Delegation
 Senator Barbara Boxer, Chair, Committee on Environment and Public Works
 Senator James Inhofe, Ranking Member, Committee on Environment and Public Works
 Congressman James Oberstar, Chair, Committee on Transportation and Infrastructure
 Congressman John Mica, Ranking Member, Committee on Transportation and
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