



Midwestern Governors Association

July 17, 2009

The Honorable Max Baucus
Chairman
Senate Finance Committee
United States Senate

The Honorable Barbara Boxer
Chairman
Senate Committee on Environment
and Public Works
United States Senate

The Honorable Charles Rangel
Chairman
House Ways and Means Committee
United States House of
Representatives

The Honorable James Oberstar
Chairman
House Transportation and
Infrastructure Committee
United States House of
Representatives

The Honorable Charles Grassley
Ranking Member
Senate Finance Committee
United States Senate

The Honorable James Inhofe
Ranking Member
Senate Committee on Environment
and Public Works
United States Senate

The Honorable David Camp
Ranking Member
House Ways and Means Committee
United States House of
Representatives

The Honorable John Mica
Ranking Member
House Transportation and
Infrastructure Committee
United States House of
Representatives

Dear Senators and Representatives,

As the Congress considers many issues this July, we are writing to emphasize that investments in surface transportation warrant both immediate and long-term action.

The United States Department of Transportation has informed Congress, the states, and the public that the Highway Account of the Highway Trust Fund is rapidly approaching a zero balance and may not be able to fully reimburse state claims as early as August. We cannot stress strongly enough that Congress must pass legislation before its August recess to assure the Highway Trust Fund can support currently authorized funding levels. This is essential so ongoing construction work can continue. A break in federal financing would result in layoffs, a slowdown of economic recovery, and a slowdown of the progress of transportation projects needed by people and business. We believe immediate legislation to replenish the Highway Trust Fund and assure program continuity is necessary while Congress works on a surface transportation authorization.

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After the Highway Trust Fund balance is addressed, we urge Congress to continue progress on multi-year authorization legislation for surface transportation programs to:

- Increase federal investment in transportation;
- Provide adequately for transportation access, connectivity, and mobility in both rural and urban areas;
- Stabilize and recharge the federal highway trust fund; and
- Control administrative and process delivery costs which divert funding and time from addressing transportation needs.

There are great transportation needs in both urban and rural areas of the Midwest. Our urban areas have significant traffic congestion. Transit, passenger rail, and high-speed rail should be a major part of the transportation solution. But, roads in rural areas also benefit metropolitan areas by assuring efficient interstate travel for people and business. Over 20 percent of the population and 70 percent of the land mass of the United States is rural. Midwestern states have an average of over 32 percent of their populations living in rural areas. Rural development is a major contributor to our states' and our country's economic progress. Midwestern states also have one of the highest percentages of interstate, through truck traffic. These are not local urban deliveries. Most of them are long-haul trucks delivering raw materials and finished products. Also, safety should remain a critical consideration. The national transportation agenda cannot be limited to metropolitan areas, and rural areas should not be sacrificed or ignored.

We also believe states should have a primary role in delivering and balancing federal transportation investments in urban and rural areas, using state-based performance management. A top down federal approach, where states and local owners of the transportation system have a secondary management role, would obstruct state and local decisions. We do not think national performance measures, targets, and plan approvals developed in "consultation" with state and local transportation agencies would grant sufficient authority to state and local owners of those systems, and they would override and modify state and local plans. Any targets should be state-based and developed in a partnership between state and local transportation authorities. States and localities are already using the latest management practices, and we know where the opportunities exist. We need the funding to seize those opportunities without burdensome federal regulation.

The Midwestern Governors Association's publication, "*Surface Transportation Recommendation*," provides a balanced approach to transportation issues to serve many needs, both urban and rural. Those transportation recommendations can be found at the following link:

http://www.midwesterngovernors.org/Publications/Transportation_Recommendations.pdf

Making significant progress on the Highway Trust Fund balance is critical this month. We need immediate action to assure the Highway Trust Fund can continue to support state reimbursement claims and a reauthorization that addresses both rural and urban needs. After the immediate needs of the funding crisis are addressed, and action is taken to assure there is no break in program continuity, the important effort to develop and agree on a surface transportation authorization must proceed. A deteriorating transportation system and declining

urban and rural mobility and connectivity will continue to hold our economy back. We hope work will continue on a well-considered surface transportation authorization which respects state and local performance management and promotes efficient delivery of transportation projects and services.

Thank you very much for considering our recommendations.

Sincerely,



Jennifer Granholm
Governor of Michigan and
Chair,
Midwestern Governors Association



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

cc: Secretary Ray LaHood, U.S. Department of Transportation
Midwestern Congressional Delegation