

Dear Senator:

This letter is to urge you to oppose an amendment being offered by Senator Kyl on behalf of Senator McCain to the SAFETEA-LU technical corrections bill to suspend the federal highway user fee from Memorial Day to Labor Day this year.

Sen. McCain said that his plan would take “a few dollars off the price of a tank of gas every time a family, a farmer, or trucker stops to fill up. And because the cost of gas affects the price of food, packaging, and just about everything else, these immediate steps will help to spread relief across the American economy.” We understand his compassionate concern but respectfully disagree that lurching the nation’s highway trust fund into early insolvency with its quadrupled negative impact on state transportation improvements will help those most hurting from higher gas prices. In fact, we believe his proposal if enacted will cost jobs and derail economic recovery and cost motorists far more money in automobile repairs.

And, what is the exit strategy to the suspension? Do we really believe Congress, the day after Labor Day, would reimpose an 18.4 cent federal user fee? Sen. McCain has repeatedly argued that letting the Bush tax cuts expire as scheduled in 2010 would be tantamount to a tax increase. Wouldn’t expiration of Sen. McCain’s “gas tax holiday” result in a tax increase the day after Labor Day using his own logic?

At a challenging time for the U.S. economy when the federal Highway Trust Fund (HTF) is already nearing insolvency and Congress is actively debating legislative fixes to prevent that exceedingly negative economic ripple, removing the fund’s primary source of revenue even for a few months would threaten to halt current and planned highway projects all across America that were intended just to maintain the current level of service. Although the cost of gas does have a widespread impact across the economy as the senator notes, a greater factor in the higher prices being paid by a family, farmer or trucker is the cost of unsafe roads and the cost of congestion. American families still lose 12,000 loved ones annually due to unsafe bridge and road conditions. According to the Texas Transportation Institute, traffic congestion costs the economy \$78 billion each year in lost productivity -- including 2.9 billion gallons of wasted motor fuel spent idling in traffic, the equivalent of 58 fully-loaded supertankers. The McCain proposal can’t even offset an estimated \$413 incurred annually by drivers to repair their vehicles damaged by deteriorating roads. Without prejudice to other McCain recommendations, we implore you to support transportation infrastructure improvements and oppose Senator McCain’s proposal which will damage the foundation of our economic engine: the corridors of commerce and our freedom of mobility.

NSSGA and allied labor and business organizations in the Americans for Transportation Mobility Coalition chaired by the US Chamber of Commerce opposes suspension of the federal highway user fee. This user fee is a model program for funding that exemplifies fundamental fairness -- one pays for only actual use and receipts are placed in a firewalled trust fund dedicated for transportation. Federal Highway Administration data indicates that \$78.8 billion is required annually just to maintain the Federal Highway System and \$131.7 billion is needed annually to maintain and improve the system. The current user fee is not sufficient to provide for the minimum maintenance level recommended by FHWA. Assuring the solvency of the HTF,

not cutting off its primary revenue source, is what will bring both short and long-term relief to the American economy.

On behalf of NSSGA's members whose rock builds America, I ask that you oppose the McCain amendment that would suspend the federal highway user fee and instead focus on ways to fix the trust fund.

Sincerely,

Jennifer Joy Wilson
President & CEO