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June 21, 2012

The Honorable Barbara Boxer
Chairman, Senate Environment and Public
Works Committee
United States Senate
Washington, D.C. 20510

The Honorable John Mica
Chairman, House Transportation and
Infrastructure Committee
United States House of Representatives
Washington, D.C. 20515

Dear Senator Boxer and Representative Mica:

We applaud Congress for moving forward on a surface transportation reauthorization bill. With Conference underway, we urge members to negotiate an adequately-funded, bi-partisan, multi-modal, transportation bill to create and sustain jobs and support economic recovery. It is critical that final passage of this important jobs bill occurs before the current extension expires on June 30th. Rather than short-term extensions, a longer-term bill will help address the substantial transportation needs in America and provide greater stability as Governors seek to rebuild their regional economies and improve the quality of life for their residents, their workforce, and travelers across the nation. We hope you can achieve a bill that can be supported on a bipartisan basis as the Senate did on March 14th.

Historically, surface transportation has been a bi-partisan process with significant input from the states and U.S. territories (hereinafter “states”). Since the last federal authorization expired in 2009, however, states have watched critical programs become hamstrung in partisan arguments that have prevented a meaningful resolution for Highway Trust Fund solvency challenges. The lack of focus on this most significant issue has prevented states from engaging in long-term planning efforts.

The Conference Committee has the opportunity to work in the best interest of the country by putting people to work and encouraging economic development. A strong partnership with the federal government is critical to all states. Neither the states nor the national economy can afford for surface transportation to be mired in the debate surrounding energy development. Energy issues deserve to be considered independently and should not contribute to further delays of the surface transportation reauthorization.

Additionally, we urge you to consider the following recommendations to support a strong federal transportation program:

Program Certainty: In order for states to adequately plan and execute projects, we need stable federal funding. A firewall was created over 20 years ago requiring programs be appropriated for the Highway Trust Fund (HTF) at the authorized level. Without this firewall, states will be forced to gamble on their annual funding levels in the planning process. *We urge conferees to reinstate this firewall.*

Financing: The reauthorization of surface transportation provides a critical opportunity to address the solvency of the Highway Trust Fund and Mass Transit Accounts and identify a long-term solution to the financing challenges facing our multi-modal national program. *We urge conferees to work toward a solution to the ongoing shortfall, in order to sustain funding at least*

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at current levels for the long-term. Additionally, to supplement the federal program, states need as much flexibility as possible in creating and using innovative financing options.

Multi-Modal Funding: Congress should continue the historical 80-20 split of trust fund revenues between highways and transit and maintain the existing balance between urban and rural areas and specialized transit. The legislation should restore parity between transit and parking tax benefits. Additionally, increased funding and eligibility for passenger and freight rail as well as maritime and dredging projects, will help improve the safe and efficient movement of people and goods and relieve congestion on our nation's roadways. Lastly, we encourage the reinstatement of funding for transportation enhancements, providing opportunities for bicyclists and pedestrians to have safe and accessible facilities. *We support the inclusion of all provisions that encourage a multi-modal approach to our nation's transportation system.*

Major Projects Funding: Large scale projects have few financing options available. The next authorization should expand programs that support these projects. The Senate bill increases the Transportation Infrastructure Finance and Innovation (TIFIA) program to \$1 billion annually and creates a Projects of National and Regional Significance (PNRS) program that will encourage investment in multi-jurisdictional projects. *Both TIFIA and PRNS should be included in the authorization.*

We urge you to work together to reach a bi-partisan agreement that will put Americans back to work and help keep America globally competitive.

Sincerely,



Governor Edmund Gerald Brown
State of California



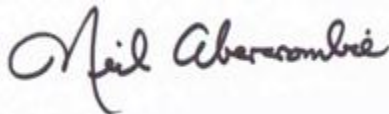
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cc: Senate Majority Leader Reid
Senate Minority Leader McConnell
Speaker Boehner
House Minority Leader Pelosi
House and Senate conferees