



U.S. House of Representatives
Committee on Transportation and Infrastructure

Washington, DC 20515

John L. Mica
Chairman

Pick J. Rahall, III
Ranking Member

July 13, 2011

James W. Coon II, Chief of Staff

James H. Zoia, Democrat Chief of Staff

Thomas J. Donohue
President and CEO
U.S. Chamber of Commerce
1615 H Street, NW
Washington, DC 20062

Dear Mr. Donohue:

The reaction from National Chamber of Commerce representatives to the rollout of the Republican Surface Transportation Reauthorization outline was most disappointing and a potential setback to enacting a long term transportation reauthorization. During my years of service on the Transportation and Infrastructure Committee I have seen the National Chamber of Commerce evolve from an Association that would advocate strong infrastructure and responsible fiscal policy on behalf of its members to an organization whose primary purpose in the national infrastructure arena appears to be to lead the lobby for tax increases. It is unfortunate that it is necessary for me to send this letter and express my dismay with the direction the Chamber has taken at such an important juncture in moving forward with something so critical to our economy and business community.

The American people sent a clear message in electing a U.S. House to change the way business is conducted in Washington. Thanks to recent and coming elections, the priorities of the American Taxpayer have been and will be placed ahead of the unchecked desires of some in Washington to spend money that is borrowed to support our Treasury. This new reality has proven to be frustrating for some in Washington who even fail to consider positive alternatives for supporting transportation projects and simply resort to deficit spending 'come hell or high water.' The Highway Trust Fund was at one time intended to be a true 'user fee' system designed to benefit those it taxed; yet it has evolved over the years into a slush fund with less than 65% of its receipts dedicated to those who pay into the fund at the pump and much of that remaining money funneled into federally-mandated programs that states and localities would not otherwise prioritize. But why would the National Chamber of Commerce want reform when it is simpler to just ask for more money?

Last Congress, Chairman Jim Oberstar proposed a surface reauthorization bill that proposed a large gas tax increase despite the fact that his legislation restricted the construction of any new

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highway capacity, purposefully stymied private investment in transportation infrastructure, expanded mandates on transportation enhancements such as graffiti removal, transportation museums, roadside landscaping and programs such as 'walking school buses'. It would have funneled valuable resources into a proposed "Livability Initiative" and held state and local eligibility for funding hostage based on achievement of greenhouse gas emission 'targets'. Despite these severe flaws, your organization enthusiastically encouraged support for the legislation based on the proposed increase in the gas tax to pay for these costly and unproductive measures.

Those policy proposals reflected a warped mentality that limited Highway Trust Fund dollars could be stretched to cover countless new non-infrastructure purposes and further divert from the direct infrastructure benefit to those paying the gas tax. Those proposals represented a departure from prioritizing projects in the national interest, a movement away from protecting the true engine of our economy -our ability to move goods through an interstate network of highways and rails to and from our ports. Those proposals further restricted state and local ability to maximize transportation funding, and further diluted the benefits to the individuals who pay into the Trust Fund. Yet the U.S. Chamber of Commerce remained silent on these critical points and time after time failed to understand why members of Congress in both parties, as well as the President, recognized that increasing the gas tax was not a viable option. Unfortunately the current leadership of the U.S. Chamber of Commerce seems unable to recognize the reality that bankrupting the Highway Trust Fund and ignoring long overdue policy reforms are no longer options. This continuing support of bankrupting policies that have depleted the Highway Trust Fund by diverting or placing inflexible or misguided mandates on our limited and precious transportation resources is unproductive and misguided at best.

Our years of excessive deficit spending are at an end, and responsible Congressional leaders must make difficult decisions about achieving real and tangible priorities. My primary priority is to produce a long-term reauthorization bill to provide states with the certainty they require for large-scale infrastructure planning, and instituting reforms to existing programs. The limited resources of the Trust Fund should return investment value to users. Another high priority must be to protect the structure and existence of our Highway Trust Fund and maintain its unique and justified budgetary treatment. A continuation of deficit spending and General Fund transfers will destroy the dedicated, user fee-based Trust Fund. As stewards of that Fund, it is our responsibility to stabilize the fund to protect its budgetary treatment and existence. If the Chamber advocates passage of a short-term bill at levels that destroy, bankrupt, or dismantle the Trust Fund, it would indeed be unfortunate both in the short and long term.

The best way forward to protect the future of transportation infrastructure investment in America and protect the existence of the Trust Fund is to reform programs and demonstrate to the American people that the Fund can once again return tangible value to its paying users, not to mention the opening of private sector investment and innovation to our national infrastructure projects. The Republican proposal protects the solvency of the Trust Fund and uses leveraging

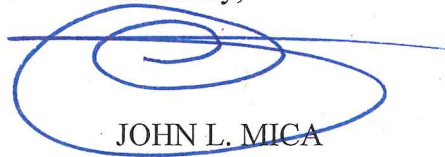
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tools including enhanced State Infrastructure Banks and an expanded TIFIA program to maximize dollars. Our proposal opens the door to the private sector for additional investment, financing, and operations. The unprecedented program consolidation proposed will also give states the flexibility they need to prioritize effectively. Dramatic value is also achieved by streamlining project delivery that reduces overall project costs in delivering more projects in less time at significantly lower costs.

It is a sad state of affairs that the U.S. Chamber of Commerce cannot express in a positive fashion the need to do much more for our nation's infrastructure than just spend more taxpayer dollars. A Chamber of Commerce representative publicly commented that the Republican transportation proposal level of funding was "unacceptable", in defiance against both reality and logic. The House Rules and the Congressional Budget Act place limitations on the ability to spend beyond the receipts of the Trust Fund. It is unfortunate that the leadership of the U.S. Chamber of Commerce still does not recognize that the American people have rejected excessive deficit spending and tax increases as a means of avoiding the difficult choices that come with real and necessary reform.

It is truly disheartening that the Chamber would rather sit on the sidelines and complain about a lack of a gas tax increase to accompany an infrastructure bill instead of engaging in a constructive discussion on policies we can employ to open new doors for private sector investment in our national infrastructure, eliminate red tape and bureaucracy and engage American enterprise. In the past those were the key principles the U.S. Chamber of Commerce stood for – and I look forward to working with you as the Chamber hopefully returns to those roots.

Sincerely,

A handwritten signature in blue ink, consisting of several overlapping loops and a horizontal line, positioned above the printed name.

JOHN L. MICA
Chairman