



Edward G. Rendell
Governor of Pennsylvania
Chair

James H. Douglas
Governor of Vermont
Vice Chair

Raymond C. Scheppach
Executive Director

June 22, 2009

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20515

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The John Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Senator Reid, Senator McConnell, Speaker Pelosi, and Representative Boehner:

The nation's governors call on Congress to address the impending funding shortfall of the Highway Account of the Highway Trust Fund (HTF) as soon as possible.

According to Department of Transportation officials, the Highway Account of the HTF by August will have an insufficient cash flow to meet reimbursement obligations to states. In fact, the Department estimates that the shortfall for fiscal year 2009 could be as much as \$7 billion. Moreover, assuming current program levels, an additional cash transfer of \$8 billion to \$10 billion may be necessary if Congress is to address HTF solvency challenges through fiscal year 2010.

Because of the time lag between state obligations and federal outlays to reimburse the states, a HTF shortfall would trigger significant cuts in state transportation spending. Enactment of a federal solution to this problem is necessary to preserve surface transportation investment and provide the predictable, long-term federal funding on which highway projects and state transportation budgets depend.

Fixing the Highway Trust Fund shortfall as soon as possible will permit many states to begin their 2010 state fiscal year on July 1 with the assurance that they will receive the amount of transportation funding pledged to them under federal law. This funding certainty will enable states to continue financing highway projects that improve safety, ensure rural and urban mobility and access, increase the mobility of people and goods and, together with the injection of federal stimulus funds, promote a sound economy through well-paying construction jobs.

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Our federal-state highway partnership is essential to the success of our nation's surface transportation system. We urge you to pass bipartisan legislation to eliminate the impending shortfall as soon as possible so that states can continue planning for and funding critical highway programs.

Sincerely,



Governor Edward G. Rendell
Chair



Governor James H. Douglas
Vice Chair

- cc. Secretary of Transportation Ray LaHood
House Transportation and Infrastructure Chair James Oberstar
Senate Environment and Public Works Chair Barbara Boxer
House Transportation and Infrastructure Ranking Member John Mica
Senate Environment and Public Works Ranking Member James Inhofe
House Appropriations Transportation-HUD Subcommittee Chair John Olver
Senate Appropriations Transportation-HUD Subcommittee Chair Patty Murray
House Appropriations Transportation-HUD Subcommittee Ranking Member Tom Latham
Senate Appropriations Transportation-HUD Subcommittee Ranking Member Christopher "Kit" Bond