

**National Governors Association
U.S. Chamber of Commerce
American Association of State Highway and Transportation Officials
American Highway Users Alliance
American Public Transportation Association
American Road and Transportation Builders Association
Associated General Contractors of America
International Union of Operating Engineers**

February 25, 2002

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

The nation's Governors and leaders of major transportation, labor, and industry organizations are writing to express our deep concern about the proposed 27 percent decrease of transportation funding as recommended in the Administration's fiscal year (FY) 2003 budget proposal. This decrease will be nearly \$8.6 billion under the current \$31.8 billion FY 2002 level provided for states' transportation funding needs.

This is not the time for any reduction in highway funding. We ask that the Administration and Congress maintain current highway investment. Each \$1 billion of federal highway funding translates into 42,100 well-paying construction and related jobs. Therefore, the impact of the proposed cutback would be felt immediately in many communities across the nation absent any swift action to restore current year funding.

For planning purposes, and given the short construction season in many states, it is critical that this cliff in funding be resolved prior to the normal budget cycle to prevent significant disruption or delay of ongoing transportation projects, programmatic funding inefficiencies, and job losses. Because most state FY 2003 budgets begin on July 1, 2002, failure to promptly resolve this matter will mean drastic cuts in the current construction season. Moreover, as you know as a former Governor, many states have transportation plans that determine necessary projects five years in advance. Also, many state legislatures, which must appropriate state matching funds, will adjourn this spring or early this summer and added pressure to redistrict legislative boundaries will prompt state sessions to adjourn earlier than scheduled.

We join in the bipartisan spirit of Congress and support the "Highway Funding Restoration Act" (H.R. 3694 and S. 1917) introduced by the House Transportation and Infrastructure and the Senate Environment and Public Works Committees. We believe this legislation would be only the first action necessary to restore the total funding shortfall and would urge that further steps be considered to restore highway spending. We strongly support a FY 2003 obligation limitation level for the federal-aid highway program equal to the current year and hope to work with the Administration and Congress to ensure that our nation's transportation systems, safety, and jobs are not jeopardized.

Sincerely,



Raymond Scheppach, Executive Director
National Governors Association



Tom Donohue, President and CEO
U.S. Chamber of Commerce



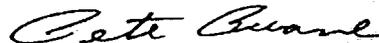
Bradley Mallory, President
American Association of State Highway and
Transportation Officials
Secretary, Pennsylvania Department of Transportation



William D. Fay, President and CEO
American Highway Users Alliance



William W. Millar, President
American Public Transportation Association



Pete Ruane, President and CEO
American Road and Transportation
Builders Association



Stephen E. Sandherr, CEO
Associated General Contractors of America



Frank Hanley, General President
International Union of Operating Engineers

c:

Speaker Hastert

House Majority Leader Armev

House Minority Leader Gephardt

Senate Majority Leader Daschle

Senate Minority Leader Lott

House Budget Committee Chairman Nussle

House Budget Committee Ranking Member Spratt

Senate Budget Committee Chairman Conrad

Senate Budget Committee Ranking Member Domenici

House Transportation and Infrastructure Committee Chairman Young

House Transportation and Infrastructure Committee Ranking Member Oberstar

Senate Environment and Public Works Committee Chairman Jeffords

Senate Environment and Public Works Committee Ranking Member Smith