

Congress of the United States

Washington, DC 20515

May 20, 2004

The Honorable George W. Bush
President, The United States of America
The White House
Washington, D.C. 20500

Dear Mr. President:

“National Transportation Week” is an appropriate occasion to reconsider your SAFETEA surface transportation reauthorization funding proposal. Although this proposal has been portrayed as an increase in funding, on closer examination, it provides zero-percent growth for highway and transit infrastructure investment over the next five years. We believe that this zero-percent proposal is unacceptable to Congress, as evidenced by votes in both bodies in favor of much higher investment levels. If there is to be any hope of reaching agreement on a long-term surface transportation reauthorization bill this year, we urge you to reconsider your SAFETEA proposal and find common ground with Congress on realistic investment levels that begin to address our enormous backlog of highway and transit infrastructure needs.

To date, your Administration has appeared unwilling to consider any highway and transit infrastructure investment proposal that exceeds its \$256 billion SAFETEA proposal. The Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003 (SAFETEA), as amended by the President’s Budget request for FY2005, provides no increase for highway funding and no increase for transit funding over the next five years – not a single additional dollar of infrastructure investment. As a result, no new construction jobs would be created and sustained under this zero-percent growth infrastructure investment level. The following table outlines our understanding of the revised SAFETEA proposal.

ADMINISTRATION’S SAFETEA PROPOSAL

(in millions)

Program	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	Percent Increase from FY2004 to FY2009
Federal-Aid Highways	33,643	33,643	33,643	33,643	33,643	33,643	0.0%
Transit	7,266	7,266	7,266	7,266	7,266	7,266	0.0%
FMCSA and NHTSA	663	1,005	1,026	1,050	1,075	1,102	66.2%
SAFETEA TOTAL	41,572	41,914	41,935	41,959	41,984	42,011	1.1%

Moreover, your proposal cuts guaranteed transit investment by 18 percent from \$7.27 billion in FY2004 to \$5.95 billion in each of FY2005 through FY2009. Compared to your original SAFETEA proposal, the revised proposal also cuts highway and transit investment levels in the last two years of the bill. Specifically, the revised SAFETEA proposal cuts highway funding by \$360 million and transit funding by \$808 million in FY2009 from the original proposal. To our knowledge, your Administration has never indicated how it proposes to make these or other significant transit cuts included in its revised proposal, and we request that the Administration provide us with authorization tables that reflect the revised proposal.

This zero-percent proposal for highway and transit infrastructure is unprecedented. In contrast, under the Transportation Equity Act for the 21st Century, highway investment jumped from \$21.5 billion in FY1998 to \$31.6 billion in FY2003, a 47 percent increase. Transit investment grew even faster: from \$4.6 billion in FY1998 to \$7.3 billion in FY2003, a 56 percent increase. Even under very difficult budget conditions in the early 1990's, the Intermodal Surface Transportation Efficiency Act still managed to increase highway investment from \$16.8 billion in FY1992 to \$18.3 billion to FY1997, a nine percent increase.

In contrast, your zero-percent proposal does not account for inflation. Consequently, even assuming the Administration's very conservative inflation estimates, the proposal will result in an 8.0 percent cut to the purchasing power of these infrastructure investment dollars over the next six years.¹ By FY2009, real spending for Federal highway and transit investment will be cut by almost \$3.3 billion.

As a result, under your SAFETEA proposal, more than 150,000 workers would lose family-wage, construction jobs.² Given that 850,000 construction workers are already out of work, we cannot afford to add any more workers to the long list of the unemployed created during your Administration.

Over the past two years, we have consulted extensively with our congressional colleagues regarding highway and transit infrastructure investment funding levels. We strongly believe that the SAFETEA proposal is wholly unacceptable to an overwhelming bipartisan majority in the House and the Senate, as evidenced by huge votes of the House and Senate in favor of funding levels considerably higher than SAFETEA.

¹Source: *Historical Tables: Budget of the U.S. Government FY2005*, non-defense capital price deflator, p. 184-5.

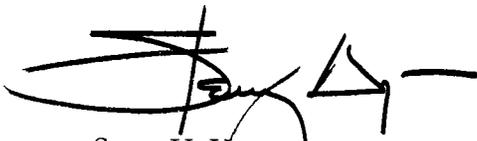
² The Federal Highway Administration estimates that \$1 billion of Federal highway infrastructure investment creates 47,500 jobs.

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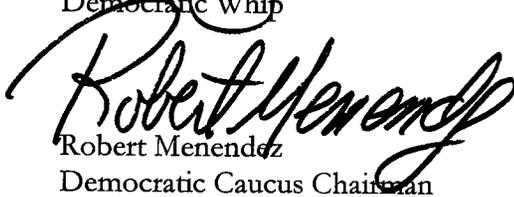
Therefore, we urge you to reconsider your zero-percent proposal and find common ground with Congress on highway and transit infrastructure investment levels. The summer highway construction season is upon us and our economy has already lost more than 90,000 construction jobs because of the delay in enactment of a long-term surface transportation reauthorization bill.

Thank you for your consideration.

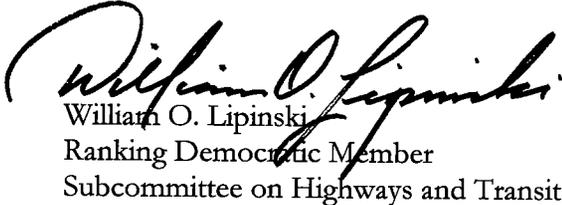
Sincerely,



Steny H. Hoyer
Democratic Whip



Robert Menendez
Democratic Caucus Chairman



William O. Lipinski
Ranking Democratic Member
Subcommittee on Highways and Transit



Nancy Pelosi
Democratic Leader



James L. Oberstar
Ranking Democratic Member