

**UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
2163 RAYBURN HOUSE OFFICE BUILDING**

April 2, 2004

CONTRARY TO THE CLAIMS OF ITS SPONSORS, MANY DONOR STATES WILL
LOSE MONEY UNDER THE ISAKSON AMENDMENT

Dear Colleague:

When the Isakson amendment to TEA-LU was first proposed, its supporters claimed that the result of adding High Priority projects and projects of regional significance to the Minimum Guarantee for highway funding would be that every state would receive more money. This is simply not possible. Since the amendment does not add any additional highway funding to TEA-LU, it is a mathematical impossibility for all States to receive more money. The claims are reminiscent of Garrison Keillor's "Lake Wobegon," where all children are above average.

The truth of the matter is that the Isakson amendment would leave many states with **less** money than they would receive under TEA-LU. The attached analysis indicates that the "losers" under the Isakson amendment, compared to TEA-LU, include California (\$283 million less over 6 years), Florida (\$35 million less over 6 years), and Texas (\$79 million less over 6 years).

Clearly, being a donor State does not mean that a State will benefit from the Isakson amendment. The guarantee that a state will receive 90.5% return on its contributions to the Highway Trust Fund is a zero sum game. When a new program is added to the minimum guarantee, States that do well in this program (e.g., a State that receives substantial project money) will have their other programs reduced as an offset. This is the reason why Members from all States should be opposed to bringing projects under the minimum guarantee. The effect will be that when a State Delegation successfully obtains projects, their projects will cause their state to lose funds from other programs. The Members and the State will be in competition, and the benefits of obtaining a project will be reduced by the loss of funds for other projects.

The Transportation and Infrastructure Committee gave careful consideration to whether projects should be included in the Minimum Guarantee Program. After long and thoughtful deliberation, we concluded that they should not. We urge the Members to respect this decision and "VOTE NO" on the Isakson amendment!

Sincerely,



James L. Oberstar
Ranking Democratic Member
Committee on Transportation
and Infrastructure



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

Attachment

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION**

COMPARISON OF TEA-LU AND ISAKSON 15 AMENDMENT

<u>State</u>	<u>TEA-LU *</u>	<u>Isakson 15 Amendment **</u>	<u>Effect of Isakson Amendment</u>
Alabama	3,953,684,201	3,958,073,234	4,389,033
Alaska	2,268,445,671	2,326,727,642	58,281,971
Arizona	3,288,692,472	3,371,895,060	83,202,589
Arkansas	2,584,589,767	2,580,392,704	-4,197,063
California	18,676,628,343	18,393,843,300	-282,785,043
Colorado	2,783,192,041	2,797,323,104	14,131,063
Connecticut	2,894,258,174	2,965,479,310	71,221,136
Delaware	840,661,039	863,906,260	23,245,222
Dist. of Col.	805,834,737	821,516,538	15,681,801
Florida	9,262,102,372	9,226,818,341	-35,284,032
Georgia	6,771,266,571	6,855,010,252	83,743,682
Hawaii	1,000,542,294	1,010,949,979	10,407,686
Idaho	1,470,998,470	1,507,149,303	36,150,833
Illinois	7,809,476,971	7,669,828,275	-139,648,696
Indiana	4,966,622,412	5,003,461,373	36,838,961
Iowa	2,471,886,197	2,410,320,922	-61,565,275
Kansas	2,309,822,392	2,288,062,760	-21,759,632
Kentucky	3,355,253,195	3,390,988,293	35,735,098
Louisiana	3,136,862,904	3,104,907,219	-31,955,685
Maine	1,053,664,693	1,027,743,817	-25,920,876
Maryland	3,221,846,245	3,137,763,802	-84,082,443
Massachusetts	3,673,946,958	3,639,576,148	-34,370,810
Michigan	6,375,200,068	6,375,276,255	76,186
Minnesota	3,905,206,177	3,869,191,177	-36,015,000
Mississippi	2,394,080,229	2,379,647,759	-14,432,470
Missouri	4,639,324,028	4,611,470,690	-27,853,337
Montana	1,905,407,296	1,938,907,156	33,499,860
Nebraska	1,542,456,469	1,516,913,162	-25,543,307
Nevada	1,457,257,143	1,415,369,027	-41,888,116
New Hampshire	986,417,179	1,008,216,099	21,798,920
New Jersey	5,205,141,513	5,143,139,335	-62,002,178
New Mexico	1,927,289,726	1,930,119,683	2,829,956
New York	10,277,625,984	10,081,770,434	-195,855,550
North Carolina	5,599,631,870	5,609,214,923	9,583,053
North Dakota	1,262,786,423	1,279,651,384	16,864,961
Ohio	7,715,450,491	7,715,675,924	225,434
Oklahoma	3,016,396,722	3,010,978,894	-5,417,828
Oregon	2,448,933,030	2,379,061,928	-69,871,102
Pennsylvania	9,783,623,423	9,741,792,857	-41,830,565
Rhode Island	1,143,730,385	1,163,461,460	19,731,075
South Carolina	3,195,922,935	3,176,817,044	-19,105,891
South Dakota	1,344,576,580	1,396,036,585	51,460,006
Tennessee	4,454,357,244	4,422,247,099	-32,110,145
Texas	15,540,368,748	15,461,404,285	-78,964,463
Utah	1,534,704,535	1,529,215,625	-5,488,910
Vermont	879,202,406	893,002,561	13,800,154
Virginia	4,979,355,190	5,041,813,759	62,458,569
Washington	3,565,264,793	3,510,275,142	-54,989,651
West Virginia	2,236,857,359	2,210,342,441	-26,514,918
Wisconsin	3,926,139,027	3,889,140,388	-36,998,639
Wyoming	1,323,321,761	1,357,371,703	34,049,942
All States	203,166,306,848	202,409,262,412	-757,044,436

* TEA-LU -- this column has High Priority Projects outside of the Minimum Guarantee and has Projects of National and Regional Significance (an estimated amount) **outside** of the Minimum Guarantee

** Isakson 15 Amendment -- This column modifies H.R. 3550 to include High Priority Projects and Projects of National and Regional Significance **inside** the Minimum Guarantee