

## National Surface Transportation Policy and Revenue Study Commission

### Commissioners:

Mary Peters, Chair  
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U.S. Department of Transportation

Jack Schenendorf, Vice Chair  
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*"Create and sustain the  
preeminent surface  
transportation system  
in the world."*

Susan J. Binder  
Executive Director  
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August 9, 2007

The Honorable Charles B. Rangel  
Chairman  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Jim McCrery  
Ranking Member  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

The Honorable James L. Oberstar  
Chairman  
Committee on Transportation and Infrastructure  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable John L. Mica  
Ranking Member  
Committee on Transportation and Infrastructure  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Representatives Rangel, McCrery, Oberstar, and Mica:

In the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, Public Law 109-59 (SAFETEA-LU), Congress established The National Surface Transportation Policy and Revenue Study Commission. In doing so, you charged us with the development of a conceptual plan to ensure that the surface transportation system will continue to serve the short-term and long-term needs of the United States over the next fifty years and beyond and to report to the Congress on our efforts. While the focus of the Commission's efforts are for the long term, we are concerned that there is an imminent crisis in funding for critical highway and highway safety programs that needs your attention and action.

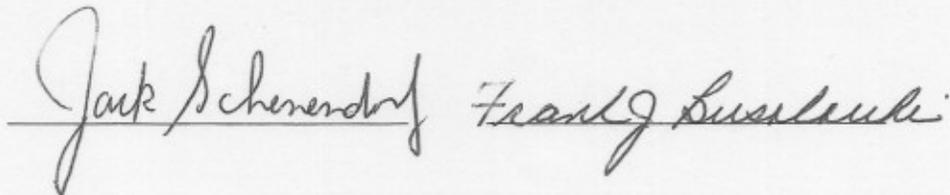
The latest projections by the Administration indicate that the Highway Account of the Highway Trust Fund will experience a cash shortfall in fiscal year (FY) 2009 of approximately \$4 billion and be unable to meet the commitments made to fund highway and highway safety needs throughout the Nation. We urge you to initiate legislative action beginning in FY 2008 to shore up the Highway Account to keep it solvent and prevent the nation from falling short of the highway investment levels guaranteed by SAFETEA-LU. We feel the risks associated with the disruption to the transportation system and the economy are too great to defer action until the following year, even though we would then have more confidence as to the specific magnitude of the shortfall.

During the course of our hearings and business meetings, we have been presented with many possibilities for quickly increasing the flow of funds to the highway account and we offer them for your consideration. These include:

- Ensuring that the Highway Trust Fund receives the full amount of the taxes levied on highway use by shifting the cost of exemptions from and refunds of taxes for certain highway users to the General Fund of the Treasury.
- Retroactively reinstating the crediting of interest on the invested balances of the Highway Trust Fund. The crediting of interest ceased after FY 1999 pursuant to section 9004(A) of TEA-21.
- Restoring to the Highway Account all or part of the approximately \$8 billion that was transferred from that Account to the General Fund as a result of section 9004(a) of the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21, P.L.105-178)
- Crediting the proceeds of the "gas guzzler" tax under section 4064 of the Internal Revenue Code to the Highway Account.
- Dedicating a portion of the revenue generated from transportation-related taxes, such as customs fees, to the Highway Account of the Highway Trust Fund.

We, the following undersigned members of the Commission, urge you to take timely action that could be put into place in FY 2008 and look forward to sharing our report with you when we complete our work by the end of this year.

Sincerely yours,

Handwritten signatures of Jack Schenck and Frank Susulski, with horizontal lines drawn under each signature.

Z. Zel

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Francis X McAdle

She Odland

Adelle

Munsterman

Tom B. Scoble

Paul M. Weyrick

cc:

The Honorable David B. Obey  
Chairman  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Jerry Lewis  
Ranking Member  
Committee on Appropriations  
U.S. House of Representatives  
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