MARK KIRK
ILLINOIS

United States Senate

COMMITTEES:
APPROPRIATIONS
BANKING, HOUSING & URBAN AFFAIRS
HEALTH, EDUCATION, LABOR & PENSIONS
AGING

September 12, 2011

The Honorable Barbara Boxer
Chairman
Committee on Environment
and Public Works
410 Dirksen Senate Office Building
Washington, DC 20510

The Honorable James Inhofe
Ranking Member
Committee on Environment
and Public Works
456 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Boxer and Ranking Member Inhofe,

I write in regard to the September 30 expiration of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). I appreciate your work to both extend this important piece of legislation as well as pass a long-term reauthorization proposal. It is my hope that we quickly reauthorize this job-creating legislation and avoid a shutdown that could cost more than 65,000 jobs in Illinois and a loss of $100 million per day into the Highway Trust Fund.

But as we extend SAFETEA-LU for the eighth and hopefully last time, we also should take steps to provide states with the tools they need to utilize public-private partnerships to help finance infrastructure projects in light of the declining purchasing power of the federal gas tax.

I support as much infrastructure investment as we can afford, and your responsible efforts to work with the Senate Finance Committee to find additional revenues to maintain current funding levels are commendable.

However, transfers are not a long-term solution to the fiscal health of the Highway Trust Fund. Since 2008 we have transferred $34.5 billion in general revenue to the Highway Trust Fund to avoid insolvency, and despite these efforts the Congressional Budget Office indicates the trust fund will still become bankrupt sometime in 2013 barring future deposits.

In addition to its unsustainability, the gas tax disproportionally hurts the working poor. We cannot balance the Highway Trust Fund's leger on the backs of American families. We need to find new ways to let states tap into innovative financing for their projects.

States like Florida already have shifted toward alternative cost recovery methods to build and rehabilitate their roads. Last month, Florida Department of Transportation Secretary Annanth Prasad announced a shift toward tolling to finance the state's considerable road infrastructure needs, calling the gas tax "unsustainable." Florida also is exploring public-private partnerships to finance construction plans.

Puerto Rico also continues to make strides in partnerships. In June, the commonwealth announced a lease of two toll roads – PR-22 and PR-5 for a total concession of $1.4 billion. This follows numerous other projects taking place in Virginia, Indiana, Texas, California and other

CHICAGO OFFICE
230 SOUTH DEARBORN ST.
SUITE 3900
CHICAGO, IL 60604
312-886-3506

SPRINGFIELD OFFICE
607 EAST ADAMS ST.
SUITE 1520
SPRINGFIELD, IL 62701
217-492-5089

WASHINGTON OFFICE
524 HART BUILDING
WASHINGTON, DC 20510
202-224-2854

www.kirk.senate.gov

states. On August 23 in my own state of Illinois, we enacted partnership enabling legislation for new capacity projects, joining the 29 states and Puerto Rico that have passed related authorizing proposals.

A nationwide commitment to alternative cost recovery methods has the opportunity to significantly offset the declining purchasing power of the federal gas tax. The Federal Highway Administration estimates that our total spending on highways could be one-quarter to one-third less from $127 billion per year to approximately $85 billion per year if congestion pricing was widely implemented. The federal share of this cost savings would be approximately $38 billion – or about what we spent on highways in 2010.

I recently introduced legislation that would provide states the tools they need to make these choices. The Lincoln Legacy Infrastructure Development Act (S.1300) lifts barriers to partnerships on the Interstate System by lifting or increasing caps to four of FHWA's innovative pricing programs, including the:

- Value Pricing Pilot Program;
- Express Lanes Demonstration Program;
- Interstate System Reconstruction and Rehabilitation Pilot Program; and the
- Interstate System Construction Toll Pilot Program.

Due to the ever-increasing timeframe between reauthorizations, we should take a long-term approach to allow states flexibility to build and rehabilitate their roadways.

To be clear, partnerships should not be used to bailout annual budget shortfalls. The Lincoln Legacy Act requires that the proceeds from any partnership must go back into transportation – either highways or transit. In this way we can encourage reinvestment in our infrastructure, providing sorely needed capital.

As you move forward toward a long-term extension of our surface transportation programs, I respectfully encourage the consideration of these and other policies that allow states the flexibility to make infrastructure investments in light of the federal government's fiscal crisis.

I fully support your decision boost funding for the Transportation Infrastructure Finance and Innovation Act. It is an important signal that the Senate is committed to innovative financing options for our infrastructure. I look forward to working with you on these important issues as the Committee on Energy and Public Works' reauthorization proposal moves to the floor.

Sincerely,

Mark Kirk
U.S. Senator