



A bold voice for transportation workers

March 20, 2017

The Honorable Peter A. DeFazio
Ranking Democrat
Committee on Transportation and Infrastructure
United States House of Representatives
Washington, DC 20515

Dear Representative DeFazio:

On behalf of the Transportation Trades Department, AFL-CIO (TTD), I write to endorse your “Penny for Progress” legislation. By issuing bonds paid for by indexing the gasoline and diesel user fees, the bill would pave the way for a sustainable means of stabilizing the Highway Trust Fund (HTF) and addressing our long-term transportation infrastructure needs.

The most significant challenge for rebuilding our nation’s transportation infrastructure is identifying a funding source at a time when the HTF faces insolvency. Right now, surface transportation programs face a funding gap of more than \$1 trillion over the next 10 years. For states and municipalities that face a backlog of much needed improvements to their infrastructure, the lack of a reliable federal partner has slowed investment in critical projects. This is not an accident. For nearly 25 years, Congress has failed to raise the gasoline and diesel fuel user fees that have been the foundation for funding surface transportation. This failure to invest has left our transit systems, highways and bridges in a state of disrepair, has shelved major modernization initiatives, and has stifled middle class job creation.

The “Penny for Progress” proposal provides a means to end this political impasse and begin to address the important challenges facing our transportation infrastructure. In particular, we believe the source of repayment for the bonds – indexing the gas and diesel taxes – makes sense, both as a matter of policy and politics. Indexing these user fees would raise substantial revenue, keep administrative and compliance costs in check, and maintain the historic link between users of the surface transportation system and the costs of its upkeep. This is especially important since federal motor fuel taxes have not risen since 1993 and thus have failed to keep pace with basic construction and procurement costs. Politically, both Republicans and Democrats have endorsed indexation and this bill provides a bipartisan opportunity to begin to address a transportation infrastructure funding shortfall that is harming our economy.

Transportation Trades Department, AFL-CIO

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Edward Wytkind, President / Larry I. Willis, Secretary-Treasurer

Decades of political inaction in Washington have created a severe transportation crisis. Making the tough decisions on how to fund surface transportation is long overdue. This bill provides a cost effective, straightforward, and politically viable path to meeting this challenge. We look forward to working with you to advance this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Edward Wytkind', with a large, stylized flourish at the end.

Edward Wytkind
President