

Congress of the United States

House of Representatives  
Room 2165, Rayburn House Office Building  
Washington, DC 20515  
TELEPHONE: AREA CODE (703) 725-8448

May 7, 1997

Dear Democratic Colleague:

Particularly for those who were unable to attend yesterday's caucus, we want to explain why the recent budget agreement is wholly inadequate to meet our nation's transportation needs. Unless the agreement is improved, we will be unable to develop satisfactory ISTEA reauthorization legislation.

You should not be misled by assertions that the budget agreement meets transportation needs because it makes an extra \$2.0 billion a year available for highway programs. The \$2 billion does not represent an absolute increase; rather it is an increase over the President's budget which authorized spending of \$800 million to \$1 billion less than we now spend on highways. You should also be aware that the budget agreement would impose an obligation ceiling which is only \$1.7 billion above the ceiling proposed by the President.

The amounts which could be spent for highways under the budget agreement are less than the taxes which would go into the Trust Fund each year. For the 5 fiscal years of the agreement, highway spending would be \$7.5 billion less than taxes. This deficiency would increase the unspent surplus in the Fund, which currently totals \$14.7 billion in the Highway account.

In addition, the budget agreement would fail to spend any portion of the 4.3 cent gasoline tax which now goes for deficit reduction. Annual revenues from this tax are about \$5 billion a year.

The budget agreement's allowance for highways will make it impossible for us to produce the kind of highway program we need to reduce congestion and enhance safety. We will be unable to increase the share of the Fund going to donor states without making unacceptable reductions in the amounts going to the so-called donee states. We will be unable to authorize, to the extent we would like, the approximately \$50 billion of worthwhile highway improvements which our Democratic colleagues have requested.

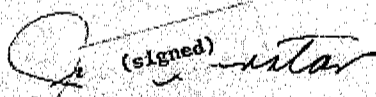
We and many Members of the Transportation and Infrastructure Committee will find it difficult to support a budget agreement which does not include adequate funding for transportation. We are asking only that the agreement allow us to spend the taxes which highway users pay. These taxes were assessed to fund development of the transportation system. They should be used for that purpose.

We urge you to withhold your commitment to support the budget agreement as details are being worked out. If you care about the jobs, productivity, and improved quality of life which transportation improvements can bring to your District, join us in insisting that the budget allow an adequate transportation program.

Sincerely,

 (signed)

Nick J. Rahall, M.C.  
Ranking Democrat  
Subcommittee on Surface Transportation  
Committee on Transportation  
and Infrastructure

 (signed)

James L. Oberstar, M.C.  
Ranking Democrat  
Committee on Transportation  
and Infrastructure