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Concrete Institute ■ The Road Information Program ■ United Brotherhood of Carpenters and Joiners of America

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June 9, 2016

## Dear Representative:

The House is scheduled to consider tomorrow a resolution opposing President Obama's proposal for a \$10.25 per barrel of oil tax. While H. Con. Res. 112 makes many statements regarding an oil barrel tax, the resolution fails to mention the intent of the President's proposal is to generate resources to stabilize and grow federal surface transportation investment. The resolution also does not remind members that recurring Highway Trust Fund revenue shortfalls caused repeated disruptions to their state's transportation program over the past eight years.

Since 2008, Congress has approved seven pieces of legislation transferring a total \$\frac{\\$143}{\}23}\$ billion in borrowed or General Fund revenue into the Highway Trust Fund to prevent cuts in federal highway and transit investment. Over that same period, the trust fund's permanent revenue deficit has led to 14 temporary extensions of the surface transportation programs and one short-term reauthorization bill. Furthermore, upon the expiration of the Fixing America's Surface Transportation (FAST) Act at the end of FY 2020, the Congressional Budget Office projects the trust fund's average annual shortfall will grow to \$18 billion.

While the sincerity of the Obama Administration's proposal for a Highway Trust Fund solution is dubious given its release three months <u>after</u> the President signed the FAST Act into law, a per barrel oil tax of that magnitude would be a <u>real and permanent solution</u>. And its nexus to highway users as a revenue mechanism is far more honest than the budget gimmicks, deficit spending and burdens placed on non-transportation sectors of the economy that the Congress has deployed since 2008 to keep investment in the surface transportation programs essentially static.

We certainly respect the right of members of Congress to disagree with the President's proposal, but it is incumbent upon anyone who does so to bring forward an alternative way to achieve the same objective. We strongly believe all potential revenue options should be on the table. Preliminarily disparaging one significant solution just makes it more difficult to resolve a problem that has plagued Congress for nearly a decade.

Rather than making rhetorical statements about taxes five months before an election, Congress should be working in a bipartisan manner to ensure that a permanent mechanism to preserve and grow federal highway and public transportation investment is in place well before the U.S. Department of Transportation starts warning states of the next highway program shutdown.

Sincerely,

The Transportation Construction Coalition