

March 24, 2004

The Honorable J. Dennis Hastert
Speaker
U.S. Capitol
Washington, DC 20515

Dear Mr. Speaker:

We are writing today to bring to your attention an issue of great consequence for our States' long-term transportation future. Currently, the House of Representatives is considering the Transportation Equity Act: A Legacy for Users (TEA LU). This bill, as passed by the Committee on Transportation and Infrastructure, does not address current inequities or provide our States their fair share of highway funding.

Since the creation of the federal highway program in 1956, our States have paid more into the Highway Trust Fund than received back in federal highway spending. As the highway program has matured, our states have slowly made strides toward equity. Reauthorization provides an opportunity to further close the disparity. However, we have two significant concerns over the pending bill -- the Minimum Guarantee and the scope of the programs covered under the Guarantee.

Many of us are strong advocates for an increase in the Minimum Guarantee level. Donor states have supported moving the current Guarantee from 90.5 to 95 percent of their contributions. It has now become clear that TEA LU will move to the House Floor without addressing this critical concern. Additionally, we understand that the scope under TEA LU drops from the TEA-21 level of 93 percent to 84 percent -- disproportionately impacting our States. We must express our strong opposition to a bill that further disadvantages our States by significantly decreasing the scope of programs covered under the Minimum Guarantee provision. While Congress has increased the overall funding level of the Transportation bill, our states suffer a greater inequity despite this 26 percent increase.

While we advocate for a House bill that addresses the Minimum Guarantee, we cannot recommend that our Delegations support legislation that exacerbates the current inequity by decreasing the scope of programs covered under the Minimum Guarantee. The make-up of this bill is a step backward for our States. As state governments also confront fiscal challenges, it is our hope that you would make some modifications in a good faith effort to address this inequity gap. We stand ready to work with you in resolving these differences.

Sincerely,

Arnold Schwarzenegger
California

Jennifer Granholm
Michigan

Mark Sanford
South Carolina

Janet Napolitano
Arizona

Sonny Perdue
Georgia

Robert L. Ehrlich, Jr.
Maryland

Jeb Bush
Florida

Rick Perry
Texas

Joseph E. Kernan
Indiana

Phil Bredesen
Tennessee

Mike Easley
North Carolina

Bob Taft
Ohio