



November 2, 2010

Honorable Erskine Bowles, Co-Chair
National Commission on Fiscal
Responsibility and Reform
1650 Pennsylvania Ave NW
Washington, DC 20504

Honorable Alan Simpson, Co-Chair
National Commission on Fiscal
Responsibility and Reform
1650 Pennsylvania Ave NW
Washington, DC 20504

Dear Chairmen Bowles and Simpson:

On behalf of America's motorists, thank you for your bipartisan leadership of the fiscal commission. It is clear that it is a national priority to reduce the Federal budget deficit and reduce our national debt. It is also important, however, that in a weak economy, the commission's efforts to identify spending reductions not extend to federal investments that generate net economic growth and increase our national competitiveness, such as highway investment.

The American Highway Users Alliance (The HwyUsers) is a 78-year old business federation of associations and companies that make substantial contributions into the federal Highway Trust Fund. Our members represent millions of highway users across the country. They include various state and local AAA clubs; truck, bus, RV, and motorcycle associations; farming and rural groups; shopping centers; car companies, dealers, and parts manufacturers; fuel and materials suppliers; and many others.

The federal highway program, due for authorization in the next Congress, is a case that merits special consideration by your commission. Federal-aided, state-administered highway programs generate national and regional benefits that exceed costs by as much as six-to-one. The economic benefits of highway investments are seen in a variety of outcomes, including reduction of deaths, injuries and property damage; time and fuel savings from congestion relief projects; reduced logistics costs for trucking; improved access to more jobs, shopping, and recreation; and avoided catastrophic losses from bridge and pavement failures. There is no doubt that highway investments grow the economy and produce jobs over both the short and long run. We ask that the commission acknowledge that highway investments should be increased in a weak economy, even as other domestic discretionary programs are frozen or cut.

Fortunately, the existence of the user-fee financed Highway Trust Fund has historically helped to make the case for special budgetary treatment for highway programs. Since 1956, the Highway Trust Fund has protected excise taxes on highway fuels, new truck sales, and tires for heavy vehicles and reserved their use principally for highways.

Consistent with that, over the past two years, Congress has taken multiple steps to restore past revenue diversions to the fund.

In order to match revenue to investment needs, Members of the next Congress will face a daunting challenge in authorizing a robust highway program. Economic priorities and a stronger focus on increasing public trust in the Highway Trust Fund will be important. Given the history of bipartisanship in the development of highway legislation, we are hopeful that the commission can conclude that more, not less highway investment is appropriate. More specifically, we urge that the commission make the following recommendations:

1. Exclude federal highway investments from budget cuts, as they are substantially funded from a trust fund.
2. Increase federal investments in highway projects in order to support economic growth, safety, and congestion relief.
3. Restore public trust in the Highway Trust Fund by increasing revenues and eliminating earmarks and diversions of highway funds.
4. Endorse continuation of the special budgetary treatment for Highway Trust Fund programs, given their substantial support from dedicated revenues.

Thank you for your consideration of these recommendations. Please do not hesitate to contact me at any time if I can be of assistance to the commission.

Sincerely,



Gregory M. Cohen
President and CEO

cc: All Members of the National Commission on Fiscal Responsibility and Reform