



Thomas A. Schatz
President

May 2, 2011

U.S. Senate
Washington, D.C. 20510

Dear Senator,

Senators Tom Coburn (R-Okla.) and John McCain (R-Ariz.) will soon introduce the State Highway Flexibility Act, which would grant states the ability to independently manage their highway tax revenues dedicated for federal highway and mass transit funding. On behalf of the more than one million members and supporters of the Council for Citizens Against Government Waste (CCAGW), I urge you to support this legislation.

Transportation appropriations bills have been notoriously stuffed with wasteful pork-barrel spending items directed at influential members' home states and pet projects. In the Senate version of the fiscal year (FY) 2011 Department of Transportation, Housing, and Urban Development (THUD) Appropriations Act, Citizens Against Government Waste identified 590 earmarks worth \$2.2 billion. The House version contained 459 earmarks worth \$329.6 million.

Fortunately, the House and Senate have adopted an earmark moratorium for the 112th Congress. Nonetheless, there are concerns that this ban would either be circumvented or that earmarks will return without significant reforms. The State Highway Flexibility Act promotes transparency, state-level autonomy, and efficiency in the transportation spending process that will help ensure that transportation earmarks do not make a comeback.

The Coburn-McCain legislation would allow state transportation departments to opt out of the Federal-aid Highway program and instead collect all state excise tax revenues that normally go to the Federal Highway Trust Fund. Additionally, states could choose to opt out of the Mass Transit Account (MTA), and keep state excise tax revenues to be spent on self-determined transportation projects covered under the MTA.

Governors of states that choose to opt out of these federal programs will be required to notify and submit a plan to the Secretary of Transportation outlining the purposes, projects and uses of highway and mass transit funding, and must agree to obligate or expend amounts received under these programs exclusively for relevant transportation projects. Governors will also be required to submit an annual report to the Secretary detailing the use of funds received under the program. This system will give states the ability to set their own infrastructure priorities and make transportation decisions that are best suited to their direct needs without earmarks or unnecessary federal interference.

I strongly urge you to support this legislation and to ensure that transportation revenue is effectively allocated to address only high priority transportation projects. All votes on the State Highway Flexibility Act will be among those considered in CCAGW's *2011 Congressional Ratings*.

Sincerely,

A handwritten signature in black ink that reads "Thomas Schatz". The signature is written in a cursive, slightly slanted style.

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